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GRANT APPLICATION REVIEW
MANUAL

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for

REGIONAL PLANNING REVIEW
OF FEDERAL GRANTS-IN-AID

by the

ASSOCIATION OF BAY AREA GOVERNMENTS

(San Francisco Bay Area)

January, 1968

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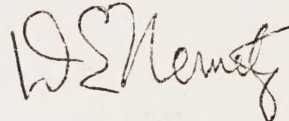
January 1, 1967

Association of Bay Area Governments
Hotel Claremont
Berkeley, California

We are pleased to submit this Manual which, with the report entitled "Grant Application Review by the Association of Bay Area Governments, Organization and Staffing Needs," completes our study of the effect on ABAG of the expanded regional review responsibility.

It has been a pleasure again to have served the Association.

Sincerely yours,



D.E. Nemetz
Western Representative

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I. INTRODUCTION

This Manual has been designed as an aid to ABAG staff engaged in grant application review activities. Section 204 of the Model Cities and Metropolitan Development Act, and other Federal and State legislation, require a regional planning agency review of project applications under the grant-in-aid programs listed in the index. Certain of these programs have been in this category for several years, but the majority are new additions. In many cases the administering agencies -- Federal and State -- are now feeling their way along a new path and have yet to phase the regional review into their requirements and procedures. The same holds for those ABAG-type organizations which have been designated as regional review agencies for major urban areas across the nation. It can be expected that during the next year or two program requirements and application processing procedures will be subjected to frequent modification and refinement.

In the course of gathering the information contained in this manual, it became apparent that considerable uncertainty now exists among officials responsible for administering the grant programs as to the scope, purpose, and expected benefit of the regional review. This Manual could contribute to classification of some of the current uncertainty by at least providing a starting point and a basis for discussion.

Uses of the Manual

Although the principal use of the Manual is as a guide to ABAG staff in the performance of application reviews, it could be of value to local governments actively considering projects for which grant funds might be requested. Because the material contained herein will be subject to frequent change, making wide distribution of the entire Manual might not be feasible at this time. However, ABAG could distribute copies of particular program descriptions on a selective basis in response to specific requests.

Representatives of Federal and State administering agencies have indicated an interest in, and need for, copies of Manual sections covering their own programs. Such distribution would also seem desirable from ABAG's viewpoint.

Keeping the Manual Current

It is absolutely essential that the information contained herein be continuously up-dated. A week will not pass in which some amendments or additions are not required. New grant programs will be added, other dropped, and still others modified. Administering agencies will constantly be altering and refining their program requirements and application procedures. ABAG will itself, as it gains experience and encounters problems in the conduct of application

reviews, modify its requirements and procedures. For these reasons, the Manual appears in loose-leaf form to permit easy amendment.

Manual Content

The 30-odd grant programs calling for ABAG review are grouped under eight broad functional categories (as shown in the index). Each individual program is herein described in some detail; the information is presented according to the format explained below.

Basic Program Identification

The program is identified by its normal title and common name, authorizing legislation, eligible grant recipients, type of aid offered (grant or loan), and the Federal and/or State agencies responsible for its administration.

Program Description and Objectives

The program and its purpose or objectives are briefly described. The descriptions are based on the legislation and national materials issued by the responsible administering agencies. The grant or loan formulas are set forth here -- i.e., per cent of project cost sharing by the grant agency for different categories of projects.

Eligible Agencies and Kinds of Projects

Kinds of agencies eligible to apply for assistance under the programs are here identified -- States, regional entities, counties, cities, special districts, and other public and private institutions or agencies. Examples of types of projects potentially eligible for consideration are given. These are illustrative, not complete, but in most instances provide sufficient guidance to determine basic eligibility as to the general type of project. Reference to the legislation and published guidelines will in some cases be required.

Federal Requirements

The critical requirements for project eligibility and for application content and submission are stated. These are presented under subheadings which reflect requirements to be met by State, regional, and local (applicant) agencies, respectively. Observance of the provisions of Section 204 of the Model Cities and Metropolitan Development Act is required in all programs.

State Requirements

In many Federal programs the State participates as an administering agency or offers a supplemental or closely related assistance program of its own. For example, Federal funds may be allotted to the

State in lump sum and the State, following Federal guidelines, allocates these to approved projects. Often State matching funds are required or are made available. Whatever requirements the State imposes are included in this section.

Administrative Process for Grant Application

The essential steps in the application preparation, submission, review, and approval process are set forth. Where possible an estimate of the time normally required for processing an application is given. The point at which ABAG review takes place is noted only in those programs where such review has in the past been conducted. In other words, the process described is the one in effect. Recommendations regarding the timing of the ABAG review are made elsewhere; once adopted, these should be incorporated into this particular section.

Budget Information

Information is presented on past and current funding of the program, the formula for allocations to the States and limits thereon, and California's share of the total. It will be noted that actual appropriations frequently fall below the amounts authorized in the legislation creating a program; this is particularly true in the current fiscal year. ^{1/}

Historical Data and Program Trends

This is a summary account of the history of the program in terms of numbers of authorized projects and expenditures. Wherever possible, data on the Bay Area experience are given. From this, useful trends can in some instances be identified and projections made of likely program activity in the future. These are apt to be inaccurate for two reasons: (1) many of the programs are very new, and (2) the expenditure levels of these and other Federal programs are even more uncertain at this time than is usual.

Cross Reference to Other Programs

Grant programs closely related to the one being described are noted. In some instances a particular project may potentially qualify under more than one program, or a part of one project may come under the program and another part under a second -- e.g., planning and construction.

^{1/} At the time of preparation of this Manual the actual 1967-68 appropriations for most programs were not yet known (October to December, 1967)

Sources

These are the published sources consulted in the development of the information presented. These were augmented by interviews with the many concerned Federal and State officials.

Proposed ABAG Review Requirements

The ABAG review requirements applicable to substantially all grant programs are presented in the Manual section immediately following. Those peculiar to each program are given in the separate program descriptions. These proposals should be studied and, as appropriate, discussed with the grant administering agencies. When adopted, in their present or amended form, these should be incorporated into the sections dealing with requirements and administrative processing.

Basic Application Review Procedure

The following is quoted from the survey report, Grant Application Review by the Association of Bay Area Governments, the companion publication to this Manual:

The Review Process

It is not feasible, nor is it necessary, to prescribe a single set of procedures equally applicable to all of the 30-odd grant programs. A basic agreed-upon process is however needed within which necessary or desirable variations can be accommodated.

Timing of the ABAG Review

The timing of the regional agency review is of critical importance and should be governed by two basic criteria:

1. The review should take place as early in the project development process as information needed for the review becomes available.
2. The review should be timed to cause the least possible delay in the total processing of the application.

Section 204 of the Demonstration Cities and Metropolitan Development Act prescribes that the comments of the regional planning review agency shall accompany the application when it is submitted to the Federal or State administering agency. Some grant programs

provide for the submission of "preliminary applications" or for pre-application conferences at which time tentative approvals may be given. In many programs considerable time and expense are incurred in the preparation of the formal application -- for example, engineering studies, architectural design work, and cost analyses. It would be in no one's best interest for ABAG's review to take place after tentative approval has been given by the administering agency or after the applicant had incurred major expenses in application development.

For these and other reasons, ABAG should encourage preliminary conferences between the applicant and ABAG staff at the point at which application preparation begins. At this time the applicant could be told, specifically, what documentation ABAG will need to make its review. General consistency of the project with regional priorities and goals and its inter-jurisdictional implications could be discussed. These discussions conceivably could lead to the applicant's modifying the project scope, joining with neighboring jurisdictions in a cooperative project, or not proceeding with the application. There would be no commitments at this point and the applicant agency would be free to proceed with project and application development.

The sixty-day requirement for regional review is, of course, the allowable maximum. Every effort should be made to complete the review in a shorter time, and this should be possible in many instances. Review of the more complex projects will undoubtedly require the full sixty days. It can be assumed that in the majority of cases, where the preliminary discussions or initial ABAG screening uncover no substantive problems from the regional viewpoint, the applicant could proceed with the development of information needed in the formal application but not necessarily required for ABAG review. The regional review would thus proceed concurrently with other essential work and not extend the total processing time.

Fixing Review Responsibility Within ABAG

Responsibility for the various phases of the application review process within ABAG should be as follows:

1. Basic policies shall be set by the Executive Committee, subject to such General Assembly review as Association policies may prescribe.
2. Overall execution of basic policies and review procedure shall be the responsibility of the Executive Director consistent with Executive Committee guidelines.
3. Performance of the staff review, related liaison and coordination, and preparation of comments and recommendations shall be the general responsibility of the Project and Program Review Department, subject to the requirement of item 4, below.
4. The Planning Department staff shall comment on applications, on referral from the Project and Program Review Department, as they relate to comprehensive planning objectives and plan elements.
5. Decisions as to ABAG comments and recommendations on applications shall be made by the Executive Committee, or by the Executive Director in accordance with Committee-set policy and guidelines. In the latter cases, provision shall be made for appeal by the applicant to the Committee.

Proposed Basic Application Review Procedure

Subject to variations from program to program based on differing requirements -- either of the grant administering agency or of ABAG -- the following procedure is recommended for application review:

1. The prospective applicant requests a pre-submission conference with the ABAG staff to discuss a project -- preferably during the initial stages of project planning.

2. The preliminary conference is held for general discussion of review requirements and procedures.
3. The proposed project is submitted to ABAG for review. The submission shall include:
 - a. A letter of submittal signed by a responsible official of the applicant agency.
 - b. A description of the project and how it is to be undertaken.
 - c. Information and documentation required by the granting agency in support of the application. (Certain of this, such as detailed-plans or designs, maps, cost breakdowns, etc., may be waived by ABAG if not needed for its review.)
 - d. Comments of the local general government having comprehensive planning responsibility in the project area and of specialized area planning or regulatory agencies, as appropriate or as required by law.
 - e. Any other information ABAG may need to conduct a meaningful regional review. (This will vary from program to program.)

To permit orderly and effective ABAG review -- that is, fullest utilization of the 60 day review period -- submissions should be made during the last 10 days of each month.

4. Project submissions are screened by the Executive Director, or his designee, for completeness and either returned for the addition of missing information or forwarded to the Project and Program Review Department for processing.
5. Prior to each meeting, the Executive Committee is notified by the Executive Director of all applications received since its last previous meeting. Any member may call for consideration by the Committee of any application.

6. The Project and Program Review Department obtains the comments of the Planning Department as to the consistency with, and extent of contribution to, the achievement of regional planning objectives or comprehensive plan elements.
7. The staff review of the project is completed and proposed comments and recommendations prepared by the Project and Program Review Department. The proposed project will, as necessary, be discussed with other concerned regional agencies, grant agencies, and interested local governments or public and private organizations.
8. The Executive Director, following policy guidelines set by the Executive Committee, determines what -- if any -- further review is required. He will refer to the Executive Committee, along with staff recommendations, applications which involve:
 - a. Any appeal by an applicant of a staff action.
 - b. Any disagreement between the staff of the Association and the recommendations of a Bay Area specialized planning or regulatory agency or general purpose unit of local government which is required or requested to make such recommendation.
 - c. Any disagreement between the staff of the Association and the recommendations of an Association advisory committee.
 - d. Any project which is fundamentally inconsistent with an element or elements of the Preliminary Regional Plan report.
 - e. Any "routine" project which the Executive Committee wishes to review.
 - f. Other projects which, in the judgment of the Executive Director, present policy questions which require decisions by the Executive Committee.

The Executive Director may also refer an application to a policy committee or a technical advisory group, in accordance with Executive Committee policy or instructions.

The applicant will be informed of the date and time of Executive Committee meetings at which a referred application is to be discussed and acted upon.

9. Comments and recommendations on applications not requiring Executive Committee action are prepared by staff and approved by the Executive Director. These are transmitted to the applicant, but only after one meeting of the Executive Committee has been held following notification to the Committee of the receipt of the application.
10. The applicant may request a hearing by the Executive Committee on any application on which the action taken under item 9, above, is unfavorable to the applicant. The applicant may also request reconsideration by the Executive Committee of an application acted upon by the Committee; this reconsideration may not be granted, at the discretion of the Committee.
11. As instructed by the Executive Committee, the Executive Director will transmit the Committee's decision on applications coming before it to the applicant.
12. The applicant provides ABAG with a copy of the formal application at the time of submission to the administering Federal or State agency. ABAG may waive the submission to it of any of the supporting documentation. The applicant agency will notify ABAG of any substantive changes in a project made after the initial submission to ABAG. ABAG shall have authority to require a re-submission of the project for review if in its judgment the change is of such significance as to affect the regional acceptability of the project. In these cases the submission will be treated as a new project application.
13. The administering agency will be requested to provide ABAG with notification of the action taken on each application.

Throughout the review process the staff should keep the applicant informed of the status of an application, particularly in cases where there is doubt as to its acceptability. Where modifications in the project which will overcome these doubts can mutually be agreed upon, these should be effected and subsequent unfavorable ABAG comment avoided.

Areas of Special Emphasis

ABAG staff, in the conduct of application review activities, should give special attention to the following:

Consistency of Proposed Project with Comprehensive Regional Planning. The ABAG review will focus on the question of the consistency of the proposed project with or relationship to comprehensive regional planning with particular emphasis on general area development, land use patterns, long-range planning within broad functional areas -- e.g., transportation, health facilities and services, and the like -- and regional and sub-regional development priorities, where such have been identified. Other review agencies tend to concentrate in more narrow functional or geographic areas and on the more technical elements of the project.

Interjurisdictional Implications. These should be thoroughly explored since applicant agencies most frequently are individual local jurisdictions -- often of limited or special purpose agencies. ABAG should assume the initiative in discussing proposed projects with neighboring and overlapping jurisdictions and seeking inter-jurisdictional agreement, coordination, and joint effort. The same holds for coordination with special purpose regional agencies and organizations. This kind of approach is consistent with ABAG's basic orientation of seeking cooperative action among Area governments.

Applicants for projects which will require filling of the Bay or construction on its shoreline should be required to obtain approval or clearance from the Bay Conservation and Development Commission as a pre-condition of submission of the application to ABAG for review. Should this approval not be obtained in advance, ABAG might not be able to process the application in the 60-day period. Alternatively, ABAG could in its recommendation stipulate that its own concurrence is conditioned on such BCDC approval being obtained.

Liaison with Granting Agencies. Special attention should be given to establishing close continuing liaison with the many Federal and State agencies administering grant programs. They should be urged to include in their informational and guideline materials ABAG's requirements for regional review -- particularly informing applicant agencies of the desirability of early pre-submission conferences and explaining the nature and timing of the ABAG review. Further, grant administering agencies should be requested to notify ABAG of applications received and of interim and final action taken on them. This is especially important for those on which the applicant certifies that the project was submitted to ABAG for review but that no comment was received within the prescribed 60-day period.

Service to Applicant Agencies. The relationships between ABAG and applicants should be characterized by an attitude of service and informal as well as formal cooperation. Where a doubt exists on the part of ABAG staff as to the acceptability of an application, this should be conveyed to the applicant when it arises and open discussion should be held. The applicant should not be "surprised" by an unfavorable staff recommendation but should be afforded maximum opportunity to modify the project proposal or prepare its case for presentation to the Executive Committee. (This approach has thus far been taken by ABAG staff.)

II. PLANNING ASSISTANCE

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CATEGORY: PLANNING ASSISTANCE - URBAN

Program: Urban Planning

Common Name of Program: "701" Grants (Urban Planning Assistance)

Authorizing Legislation: Housing Act of 1954 (as amended)
P.L. 85-104 amended by 86-372, 87-27,
87-70, 88-560, 89-4, and 89-117.
[Title 40 USC 461]

Eligible Recipients: States, metropolitan or regional
planning agencies, and local
general governments.

Program Aid: Project grants

Responsible Federal Agency: Regional Planning Branch
Department of Housing and Urban
Development

Program Description and Objectives

This program provides grants to assist the States and their political subdivisions in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities; to facilitate comprehensive planning for urban development, including coordinated transportation systems, on a continuing basis; and to encourage such governments to establish and improve planning staffs.

Planning activities assisted through this program shall, to the maximum extent feasible, cover entire urban areas having common or related urban development problems. The Secretary of Housing and Urban Development is directed to encourage cooperation in preparing and carrying out plans among all interested municipalities, political subdivisions, public agencies, and other parties in order to achieve coordinated development of entire areas. Pertinent plans and studies already made for areas are to be fully utilized to avoid unnecessary duplication of effort and expense.

Grant assistance is available to assist eligible agencies in their planning activities. Grants may cover up to two-thirds of the total project cost. ^{1/} Advance or progress payments are permitted.

^{1/} For communities designed as redevelopment areas by the Secretary of Commerce, grants may for 75 per cent of project costs.

Eligible Agencies and Kinds of Projects

This program is designed to facilitate coordinated planning efforts in metropolitan areas and in areas undergoing urbanization. Applicants must be certified by State or local law to perform the planning work for which the grant is requested. This list of eligible agencies includes:

1. State, metropolitan or regional planning agencies;
2. Cities and other municipalities having a population under 50,000;
3. Any group of adjacent communities (total population less than 50,000) having common or related urban planning problems;
4. Counties without regard to population (San Francisco while ineligible as a city is eligible as a county);
5. Cities, other municipalities, and counties designated by the Secretary of Commerce as redevelopment areas (the city of Oakland is the only Bay Area community presently designated); and
6. Cities, other municipalities, and counties which have suffered substantial damage as a result of a catastrophe (major disaster areas).

In general, any planning work designed to contribute to the preparation, revision, or implementation of a comprehensive plan qualifies. The following types of projects are representative of eligible planning activities:

1. Development of an urban transportation plan including an analysis of existing facilities and an evaluation of future requirements;
2. Development of an airport plan including determination of future needs for both commercial and general aviation (preparation of specific plans for individual airports is not permitted);
3. Development of plans for central business districts, industrial parks, and commercial areas;
4. Development of an open-space land plan;
5. Development of a parks and recreation plan;

6. Development of a community facilities plan including water and sewer facilities, hospitals, schools, libraries, and similar public structures;
7. Preparation of regulatory and administrative measures (e.g., zoning regulations, subdivision requirements, etc.) necessary for the implementation of the comprehensive plan; and
8. Studies designed to improve planning methods.

The following types of planning work are specifically ineligible for grant-in-aid assistance:

1. Preparation of preliminary or final plans for specific public works;
2. Engineering feasibility studies preparatory to the design and construction of structures;
3. Detailed engineering field surveys or inventories to determine the condition or dimension of existing facilities; and
4. Planning for non-urban areas.

Federal Requirements

Of State Governments: The specific requirements made of State governments when they are to be the recipient of a grant are outlined in Chapter V of the Planning Guide. In addition to these, each State must have a designated State agency to receive and review applications from local governments -- but not regional agencies. (In California this is the State Office of Planning). The State agency must review, comment on, and rate each application on a priority basis prior to a quarterly submittal of all applications to the HUD regional office.

Of Regional or Area Planning and Programming Agencies: In addition to the provisions of Section 204 of P.L. 89-754, a regional agency, to be a recipient, must meet the requirements set forth in Chapter VI of the Planning Guide. ^{1/} The principal requirement is that all projects for regional planning must be channeled through the designated areawide planning agency. In the Bay Area, this means that all applications for regional planning assistance must be made by ABAG. ABAG, in turn, can contract with a special district or single-purposed agency to do the planning work.

^{1/} Chapter VI has recently been added to the Planning Guide.

Of Applicant Agencies: In addition to following the provisions of Section 204 of P.L. 89-754, each applicant must have permanent status, adequate facilities, and competent professional, technical, and administrative staff on a permanent basis, sufficient to perform or supervise the planning work according to standards set by the Department of Housing and Urban Development. (Chapter IV of the Planning Guide contains the specific requirements). Municipal and county applicants with less than 50,000 population must have a comparable staff available on at least a part-time basis.

State Requirements

Chapter 1641 of the California Statutes of 1959 serves as the counterpart of Federal legislation for the "701" program. This legislation designates the State Office of Planning as the administrator of "701" grants in California and gives the agency the authority to make rules and regulations, as may be necessary, to carry out the program. The legislation also provides for the creation of the Planning Advisory Committee to provide assistance to the Planning Office in carrying out its responsibilities. The Planning Advisory Committee consists of eleven members appointed by the Governor and serving at his pleasure.

1. Five members representing counties, of whom two must be county supervisors, two must be members of county planning commissions, and one a county planning director;
2. Five members representing the cities, of whom two must be members of city planning commissions, and one a city planning director;
3. One member representing the schools, who must be a county superintendent of schools.

Administrative regulations established by the State Office of Planning require that local -- but not regional -- agencies must meet with State Officials prior to submitting a grant application. At this conference, the scope of the proposed program is reviewed and if it falls within the criteria of the "701" program a formal application will be invited. The formal applications are reviewed quarterly by the Planning Advisory Committee. The Committee, in turn, recommends to the State Office of Planning which applications should be forwarded to the Department of Housing and Urban Development for funding.

Federal regulations require that all grants to cities of under 50,000 must be administered by the State. This has been interpreted to mean that the State Office of Planning is to be the recipient of all grants. The Office, in turn, contracts with individual cities or third-party consultants to do the planning work.

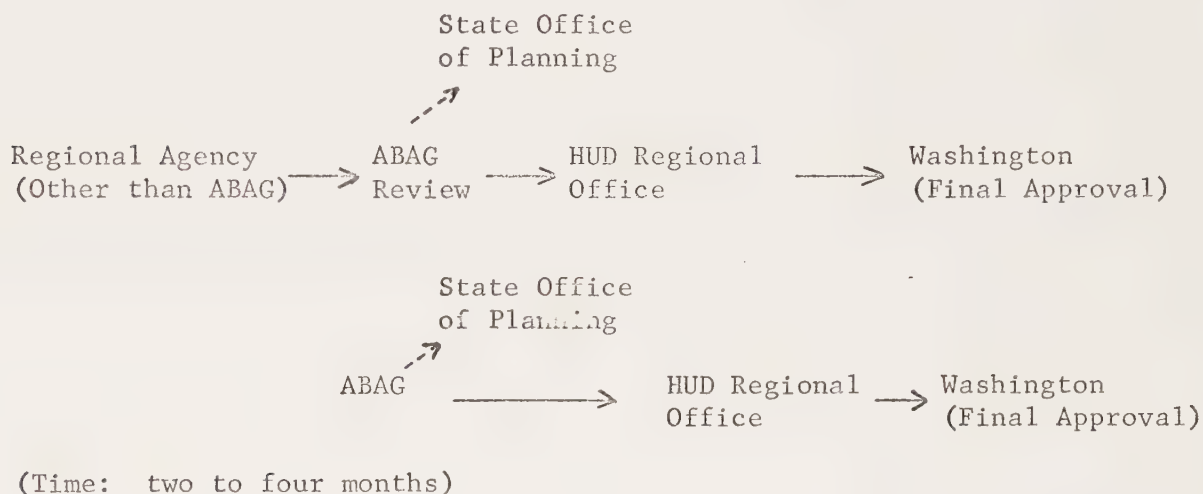
Administrative Process for Grant Applications

The administrative process for grant applications varies with level of government making the request. If the applicant is a local governmental agency it must secure State and ABAG approval prior to submission to HUD. Regional agencies, other than ABAG, must apply through ABAG to HUD. ABAG may apply directly. In the latter two cases, a copy of the proposal is sent to the State Office of Planning for informational purposes. The State Office of Planning applies directly to HUD for statewide planning projects.

Local Agency:



Regional Agency:



Budget Information

Total Federal Authorization: The original legislation (1959) authorized to be appropriated a sum not to exceed \$105,000,000 to carry out the purposes of this program. In 1965, the basic authorization was increased to \$230,000,000 with a cut-off date of October 1, 1969. Through fiscal 1967, approximately \$160,000,000 had been appropriated.

Grants to counties of over 50,000 population are restricted to 15 per cent of the appropriation. The Secretary is authorized to use not more than 5 per cent of the appropriation for research and demonstration projects.

Sums appropriated remain available until expended.

Formula for Allocation to the States: A complicated formula involving population, need, and other factors is used for the allocation of funds to States, under which California received approximately \$1,000,000 for local planning in fiscal 1967. No formula exists regarding statewide or metropolitan planning.

State Financial Participation: None

1967-68 Federal Appropriation: The allocation for fiscal 1967 was approximately \$45,000,000. The 1968 allocation has not yet been approved, but it is expected to be the same as last year's. Of this total, 50 per cent will be reserved for local planning (California's share will equal approximately \$1,000,000) and the remainder for statewide and regional planning.

Historical Data and Program Trends

The Planning Assistance Approved Project Directory (June 1966) lists more than 200 approved project grants for California since the inception of the program. This total breaks down as follows:

1. 175 grants to smaller communities (under 50,000) for approximately \$4,000,000;
2. 7 grants to redevelopment agencies for approximately \$1,000,000; and
3. 27 grants to metropolitan planning agencies for approximately \$2,700,000.

In recent years, 20 to 25 applications have been submitted annually by Bay Area agencies. Of these, it is estimated that approximately one-half are ultimately funded. The following list shows approved Bay Area applicants since 1964:

23 "Smaller" Community Grants	\$434,245
2 Redevelopment Area Grants	1,424,464
6 County Grants	622,106
4 Regional Grants	<u>1,438,079</u>
35 Total	\$3,918,894

Based on this summary, it would appear safe to predict that ABAG would review a maximum of 30 applications annually. These, because of

State Office of Planning quarterly reviews, should be spread fairly evenly throughout the year.

Cross Reference to Other Programs

Other planning assistance programs available to ABAG members include:

1. Public Works Planning (HUD)
2. Planning Assistance in Economic Development Areas (Commerce)
3. Rural Water and Waste Disposal Planning (Agency HUD)

See their respective program summaries in this manual for further information.

Sources

1. P.L. 89-117
2. Urban Planning Guide (HUD 11/65)
3. Procedural Guide (State Office of Planning - 1966)

ABAG Review Requirements (Proposed)

The importance of ABAG's regional review responsibilities for local proposals already has been recognized by the State Office of Planning and the Department of Housing and Urban Development, and satisfactory review procedures have been devised.

It is recommended, though, that ABAG establish procedures for reviewing State Agency requests concerning the Bay Area. At present, this is not formally required and a State application -- such as the one currently being prepared to partially finance the Bay-Delta study -- could be submitted without ABAG's knowledge. ABAG should request the State Office of Planning to notify it of any State applications affecting the Bay Area so that ABAG could review the proposal and comment as appropriate. ABAG should request HUD to include in its requirements its need for a letter from ABAG prior to HUD's review of any State agency application for Bay Area planning. This proposal is consistent with the provisions of Section 204, P.L. 89-754.

CATEGORY: PLANNING ASSISTANCE - RURAL WATER AND SEWER

Program: Water and Sewer Facilities Planning
(Rural)

Common Name of Program: Rural Water and Waste Disposal
Facilities Planning

Authorizing Legislation: Consolidated Farmers Home Administration
Act of 1961; P.L. 87-128; amended by
P.L. 89-240 [Title 7 USC 1926 (a) (b)]

Eligible Recipients: States
Regional and local planning commissions

Program Aid: Project grants

Responsible Federal Agency: Farmers Home Administration
Department of Agriculture

Program Description and Objectives

This program makes financial assistance available to qualified planning agencies to assist in the development of comprehensive water and sewer system plans for rural areas. The rural area to be included in the plan may be an extensive area in sparsely populated open country as well as towns and villages with populations of 5,500 or less. The rural area may include an entire county, several counties, or areas which form a logical geographic or economic section of a State.

Planning grants are available on a per capita basis -- 50 cents per person for the area to be included in the plan.

Eligible Agencies and Kinds of Projects

Organizations eligible for comprehensive planning grants include public bodies such as counties and townships as well as State, regional, and local planning commissions. To be eligible an organization must:

1. Lack the resources to immediately finance the planning;
2. Be as broadly based and representative of the interests of the rural area as possible;
3. Have a proposal for comprehensive planning that is supported by local officials and private and public agencies interested in the development of water and sewer facilities in the area concerned; and

4. Have the authority to prepare official comprehensive plans for the development of water and sewer systems in rural areas.

Comprehensive planning grant funds may be used for:

1. Technical and professional consulting services;
2. Salaries of technical, professional, and clerical personnel employed to work solely on the plan; and
3. Drilling necessary test wells and soil and water investigations. However, grant money may not be used for the complete development of wells.

In most cases the recipient of a grant will be an established planning agency engaging in the development of comprehensive local or areawide plans. The Farmers Home Administration grant will likely be in the form of a supplementary grant to insure that rural areas will be included in the planning process.

Federal Requirements

Of State Governments: None

Of Regional or Area Planning and Programming Agencies: Section 204 of P.L. 89-754.

Of Applicant Agencies: Section 204 of P.L. 89-754.

State Requirements

None

Administrative Process for Grant Applications

Applications for assistance are submitted directly to the Farmers Home Administration County Office. ^{1/} Following County Office approval, applications are forwarded to the State Director's Office for approval.

The infrequency of applications and the limited financial assistance available has precluded the establishment of funding cycles or other detailed administrative procedures. It is estimated that it would take six months to a year to process an application.

^{1/} FHA County Offices in the Bay Area are located at

Budget Information

Total Federal Authorization: There is authorized to be appropriated a sum not to exceed \$5,000,000 for any single fiscal year (nationwide).

Formula for Allocation to the States: None

State Financial Participation: None

1967-68 Federal Appropriations: The fiscal 1967 allocation for the California State Office was \$62,000. The same amount is available for fiscal 1968 spending.

Historical Data and Program Trends

During the brief history of this program no applications have been submitted by Bay Area public agencies and it is not expected that there will be any in the coming year. The only sections that qualify in the Bay Area are the rural portions of Napa, Solano, and Sonoma Counties.

Of interest to ABAG is the provision in this program that allows grants to be made to regional planning commissions. Under these provisions ABAG would be eligible for funds for rural-oriented planning projects.

Cross Reference to Other Programs

1. For information on other types of planning assistance available to ABAG members, see the "Planning Assistance" chapter in this manual.
2. For information on water and sewer system construction grants and loans for rural areas, see that program summary in this manual.

Sources

1. P.L. 89-240
2. Department of Agriculture: Grants for Preparation of Comprehensive Plans for Water and Sewer Systems (April 1966)

ABAG Review Requirements (Proposed)

ABAG's regional review responsibilities have already been recognized by the Department of Housing and Urban Development, and necessary procedures established.

CATEGORY: PLANNING ASSISTANCE - PUBLIC WORKS

<u>Program:</u>	Public Works Planning
<u>Common Name of Program:</u>	Public Works Planning Advances
<u>Authorizing Legislation:</u>	Housing Act of 1954 as amended; P.L. 86-372 as amended by 87-70, 87-560, and 89-117. [Title 40 USC 462]
<u>Eligible Recipients:</u>	States Local general governments Special districts
<u>Program Aid:</u>	Loans (interest free)
<u>Responsible Federal Agency:</u>	Office of Metropolitan Development Department of Housing and Urban Development

Program Description and Objectives

The Secretary of Housing and Urban Development is authorized to make interest-free, repayable advances of funds to States, local general governments, and special districts in financing the cost of plan preparations for specific public works projects. The primary purpose of this program is to encourage eligible public bodies to maintain at all times a current and adequate reserve of properly planned public works which can readily be placed under construction.

Advances, in the form of interest-free loans, are available for the planning of any public works project reasonably expected to be undertaken within five years. In addition, advances are available for regional, metropolitan, or other areawide projects which because of the complexities involved, are not likely to be constructed within five years. There is an upper limit of \$125,000 per project. The advances are repayable, in full, on the date construction begins.

Eligible Agencies and Kinds of Projects

Assistance may be given to any nonfederal public agency legally authorized to plan, finance, and construct the proposed project. Nearly all types of public works except public housing are eligible. Assistance is available to cover the cost of the engineering and architectural surveys, designs, plans, working drawings, specifications, or other

activities preliminary to and in preparation for the construction of a public works project.

Administrative regulations have been established to give preference to proposals for construction that will be undertaken in approximately two years. Projects which call for immediate construction are excluded as contrary to legislative intent.

Federal Requirements

Of State Governments: None

Of Regional or Area Planning and Programming Agencies: Section 204 of P.L. 89-754.

Of Applicant Agency: The applicant agency must certify that the proposed project conforms with appropriate State, regional, or local plans, if they exist. In addition, the provisions of Section 204 of P.L. 89-754 are applicable.

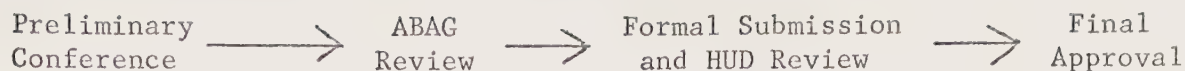
State Requirements

None

Administrative Process for Grant Applications

The review procedure for public works planning grants consist of a three-step process covering thirty to ninety days.

1. Preliminary Conference: The applicant submits a rough outline of the proposal to HUD (MDO) personnel. At this point the applicant's eligibility and the feasibility of the proposed project are examined. If MDO determines the proposal is valid a formal application is invited.
2. ABAG Review: Following the preliminary conference, the applicant must request ABAG approval of the proposal. A letter certifying the ABAG review must be included in the formal proposal.
3. Formal Application: The applicant submits a formal proposal to HUD regional office for review.
4. Final Approval: If the proposal has successfully passed the various reviews, it is then approved subject to available funds and forwarded to Washington for final approval and funding.



(Time: thirty to ninety days)

Budget Information

Total Federal Authorization: A revolving fund consisting of repayments of loans, "all advances . . . outstanding under Title V of the Water Mobilization and Reconversion Act of 1944 and the Act of October, 1949," and amounts authorized to be appropriated not to exceed \$70,000,000. Through 1965, \$65,500,000 had been appropriated for this revolving fund; no additional funds have been appropriated since then.

Formula for Allocation to the States: At no time is the allocation to any one State to exceed twelve and one-half per cent of the aggregate authorized to be appropriated to the revolving fund. (California's maximum share of the revolving fund is \$8,062,500).

State Contributions: None

1967-68 Federal Appropriations: The revolving fund contains \$64,500,000 and amounts currently available depend on advances made to date and repayments deposited. The allocation for HUD Region VI for fiscal 1968 is \$800,000.

Historical Data and Program Trends

This program dates back to 1940's, and the number of applications processed each year has varied considerably -- with the amount of available funds. Since recent years, no new funds have been appropriated, and the number of applications has remained relatively stable. It is unlikely that ABAG would be called upon to review more than ten or fifteen applications per year, of which it is estimated that seven or eight would be approved. The average project falls in the \$10,000 to \$15,000 range.

Cross Reference to Other Programs

This program is designed to assist in the planning of specific projects. For information on grants for general planning, see the Urban Planning Assistance (701) summary in this manual.

Sources

1. U.S. Code Annotated. Effective through October 16, 1966 up to and including P.L. 89-695.
2. HUD Brochure No. 4400 (May, 1966)

ABAG Review Requirements (Proposed)

The most likely applicant for a Rural Planning Grant will be either a State agency, a county government, or ABAG itself. City governments, because of the limited funding available and population restrictions, are not likely to apply.

It is recommended that ABAG request the State FHA office to include in its requirements a review by ABAG prior to FHA initial consideration of a grant application.

It is also suggested that ABAG give consideration to undertaking this type of planning itself.

CATEGORY: PLANNING ASSISTANCE - EDA

Program: Planning Assistance (Redevelopment Areas)

Common Name of Program: Economic Development Planning

Authorizing Legislation: Public Works and Economic Development Act of 1965, P.L. 89-136
[Title 42 USC 3151-3152]

Eligible Recipients: States
Local general governments
Special districts
Public or private nonprofit organizations

Program Aid: Project grants
Technical assistance and service

Responsible Federal Agency: Economic Development Administration
Department of Commerce

Program Description and Objectives

This program authorizes the Secretary of Commerce to provide technical assistance to alleviate or prevent conditions of excessive unemployment or underemployment in designated redevelopment areas, and to any other areas the Secretary finds have substantial need for such assistance. The assistance includes project planning and feasibility studies, management and operational assistance, and studies evaluating the needs of, and development of potentialities for the economic growth of such areas. Two kinds of assistance are available:

1. Technical assistance service (direct staff assistance from EDA or through third party contractual arrangements); and
2. Grants-in-aid to appropriate State, area, district, local, public or private nonprofit organizations representing redevelopment areas.

Grants for (1) may be up to 100 per cent of the total project cost; grants for (2) may not exceed 75 per cent.

Eligible Recipient Agencies and Kinds of Projects

Agencies eligible for assistance include State, area, district

or local governments. Private individuals, firms, partnerships, and corporations may qualify under contract. The majority of technical assistance projects approved are for designated redevelopment areas; ^{1/} however, nondesignated area projects are eligible, if:

1. There is the possibility of the eminent shutdown of a major employment center; or
2. The area is closely linked geographically or economically to designated areas; or
3. The project is designed to relieve a long-term "hard core" unemployment situation.

Typical projects given assistance under this program are those concerned with seeking solutions to industrial and economic development problems; specifically those which will:

1. Assist in determining the causes of unemployment, underemployment, and chronic depression;
2. Assist in the formulation and implementation of national, State, and local programs that will raise income levels; and
3. Assist in providing the personnel needed to conduct such programs.

Federal Requirements

Of State Governments: None

Of Regional or Area Planning and Programming Agencies: Section 204 of P.L. 89-754.

Of Applicant Agencies: The "EDA Technical Assistance" information brochure (January, 1967) specifies that:

" . . . when a grant is provided (No. 2 assistance), the funds go directly to the applicant, who will be responsible for employing personnel, hiring consultants, contracting for services, and the like. Economic Development Administration, however, reserves the right to approve plans for spending

^{1/} The City of Oakland is the only Bay Area community presently so designated.

such funds, as well as to approve the qualifications of personnel, consultants, or contractors."

In addition to the above, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

None

Administrative Process for Grant Applications

Project applications are submitted to the Oakland EDA Office for review. Following this, the application is submitted to Washington for approval. Neither ABAG nor any other regional agency has been involved in the review process up to this date.

Budget Information

Total Federal Authorization: There is authorized to be appropriated \$25,000,000 per fiscal year through fiscal year 1970.

Formula for Allocation to the States: 15 per cent limit to any one State of total grants.

State Financial Participation: None

1967-68 Federal Appropriations: No appropriation made as of November 30, 1967. The fiscal 1967 appropriation was \$18,000,000; however, EDA personnel anticipate a reduction of up to 30 per cent for fiscal 1968.

Historical Data and Program Trends

At present only the City of Oakland is eligible to receive technical assistance under the designated area provision of this law. Prior to July 1, 1967, Santa Clara County was designated a redevelopment area, but as a result of increasing economic activity the designation was revoked.

Eleven technical assistance project totaling more than \$700,000 were approved for the Oakland area during the two-year period ending June 30, 1967. Prior to losing its designation, Santa Clara County received one \$80,000 project.

Cross Reference to Other Programs

EDA may clear applications, where appropriate, with other Federal agencies such as the Department of Housing and Urban Development, the Office of Economic Opportunity, the Bureau of Public Roads, etc.

Source

1. U.S. Code Annotated. Effective through October 16, 1966, up to and including P.L. 89-695.
2. P.L. 89-136
3. EDA Brochure, "Technical Assistance." (1-67)
4. EDA List of Approved Projects (6-30-67)

ABAG Review Requirements (Proposed)

See recommendations for EDA Public Works Development (VII-D).

CATEGORY: PLANNING ASSISTANCE - EDA
(Inoperative in California)

<u>Program:</u>	Regional Action Planning
<u>Authorizing Legislation:</u>	Public Works and Economic Development Act of 1965, P.L. 89-136 [Title 42 USC 3181-3189]
<u>Eligible Recipients:</u>	States Multi-state Regional Commissions
<u>Program Aid:</u>	Project grants
<u>Responsible Federal Agency:</u>	Economic Development Administration Department of Commerce

Program Description and Objectives

The purpose of the program is to encourage the establishment of multi-state regional commissions, representing contiguous regions which have a relationship geographically, culturally, historically, and economically. Such regions are to be established by the Secretary of Commerce.

Regional commissions so established shall be composed of one Federal member, referred to as the "Federal co-chairman," appointed by the President, and one member from each participating State in the region. State members will elect a co-chairman from among their number.

This program is an overall planning function and does not involve the funding of individual projects. However, each regional commission, from time to time, may make additional recommendations to the Secretary and to State Governors and appropriate local officials, with respect to:

1. The expenditures of funds by Federal, State, and local departments in its region in the fields of natural resources, agriculture, education, training, health and welfare, transportation, and other fields related to this law; and
2. Such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary.

Federal Requirements

To qualify as an economic development region, such region must meet criteria which relate to employment, economic activity, and the like -- the Bay Area and California do not qualify.

Grant Allowances

The Federal Government will pay all administrative expenses of each commission for the first two full years of its operation and 50 per cent of such expenses thereafter.

Budget Information

Total Authorization: \$15,000,000 per year through fiscal 1970 is authorized to be appropriated.

Formula for allocation to the States: None

State Financial Participation: None

1967-68 Appropriation: None made as of November 30, 1967.

Historical Data and Program Trend

Not relevant.

Cross-Reference to Other Programs

None

Source

U.S. Code Annotated. Effective through October 16, 1966, up to and including P.L. 89-695.

CATEGORY: PLANNING ASSISTANCE -- HEALTH SERVICES

<u>Program:</u>	Comprehensive Health Planning
<u>Common Name of Program:</u>	Comprehensive State and Area-wide Health Planning
<u>Authorizing Legislation:</u>	Comprehensive Health Planning and Public Health Services Amendments of 1966; P.L. 89-749 (new).
<u>Eligible Recipients:</u>	States Public and private non-profit agencies
<u>Program Aid:</u>	- Project grants
<u>Responsible Federal Agency:</u>	Public Health Service Department of Health, Education, and Welfare

Program Description and Objectives

This legislation was enacted by Congress for the purpose of ". . . promoting and assuring the highest level of health attainable for every person, in an environment which contributes positively to healthful individual and family living . . ."

To accomplish this objective, financial assistance -- in the form of grants -- is made available to the States and other qualified applicants.

Five kinds of aid programs are covered in this legislation. A description of each is given below:

1. Comprehensive State Health Planning: Section 314 (a) authorizes the Surgeon General to make grants to the States to assist in the development of comprehensive statewide health plans.
2. Areawide Health Planning: Section 314 (b) authorizes the Surgeon General to make grants to qualified public or private non-profit agencies for the development of comprehensive areawide health plans.
3. Training, Studies, and Demonstrations: Section 314 (c) authorizes the Surgeon General to make grants to qualified public or private non-profit agencies for projects designed to develop more effective methods of comprehensive health planning.

4. Comprehensive Public Health Services: Section 314(d) authorizes the Surgeon General to make grants to State health and mental health agencies to assist in establishing and maintaining adequate public health services, including the training of personnel for State and local health work.
5. Health Services Development: Section 314(e) authorizes the Surgeon General to make project grants to qualified public and private non-profit agencies for various health programs. These include: cancer control, mental retardation, neurological and sensory diseases, radiological health training, and venereal disease and tuberculosis control activities.

Of these programs, only the second (c) -- Areawide Health Planning -- falls within the domain of ABAG's regional review responsibilities. The remainder of this review is devoted to it.

Areawide planning grants are designed to facilitate the development of a comprehensive regional health plan. In conjunction with other planning and operating organizations, the agency will be expected to stimulate areawide involvement in the planning process. The recipient of a grant will be required to identify regional health goals and needs, and to prepare a plan that will serve as the basis for coordinated action on the part of all existing facilities, services, and manpower in the fields of physical, mental, and environmental health in the attainment of regional health goals.

The following three paragraphs, taken from Information and Policies on Grants for Comprehensive Areawide Health Planning (August 30, 1967) give an indication of the scope of activity that is included in the comprehensive areawide planning process:

Comprehensive areawide health planning is related to and should be coordinated with comprehensive State health planning. Areawide programs will both contribute to the conduct and substance of State planning programs and benefit from the informational and goal and priority setting activities of the State agency. The areawide program should identify health problems, needs, and resources; recommend goals and objectives; and promote the development and effective utilization of the area's health resources. It should recommend actions to be taken by both public and non-public providers of health services. Working with other

planning and service organizations, an organization conducting an areawide planning program should strive to assure that current and future health manpower, services, and facilities for the prevention of disease and injury and for health care and rehabilitation within the area will be coordinated with one another and with Statewide programs.

Comprehensive areawide health planning neither negates nor diminishes the need for continued or expanded functional or specialized planning. In addition to their own program planning, operating regional or local agencies and private and voluntary organizations should continue to plan individually and collectively for specialized aspects of health service -- the construction of health facilities, the development and expansion of community mental health programs, regional medical programs, programs in environmental control, services for mentally retarded, etc. -- and to plan for increasing the supply and effective utilization of trained manpower. The areawide health planning organization and program provides a framework for strengthening such efforts by relating objectives in these specialized areas to each other and to the overall needs and resources of the area and the State, and by recommending action to coordinate the health services and resources under various auspices in the area.

The organization conducting a comprehensive areawide health planning program should engage in a variety of study, informational, consultative, promotional, and technical assistance activities. It should undertake the collection, organization, and dissemination of data pursuant to its own planning activities and those of many other groups in the area. It should provide a means of relating available services to eliminate duplication and to realize the full potential of health resources. It should serve as a major focus for relating health planning activities to other planning programs operative in the area."

The principal objective of this program, as noted in the quote above, is to promote the development of an agency which will be concerned with the total health system of an area. This represents a significant change in the emphasis of regional planning processes. In the past, Public Health Service grants assistance was available to specialized health planning agencies -- for example, health facilities planning associations. This program reverses the emphasis and supplants it with one aimed at total health planning.

To accomplish the objectives of this program, the Surgeon General has been authorized to provide grants for up to 75 per cent of project costs. Grants can be initially obtained for the purposes of organizational development. These grants can cover a two-year period. Once the organizational patterns have been established and approved, program grants for periods up to five years can be obtained.

Eligible Agencies and Kinds of Projects

Any public or private non-profit agency, except the State agency responsible for preparation of the comprehensive Statewide health plan, is eligible to be the recipient of a grant, provided it meets the criteria established by the Public Health Service (see "Requirements of Applicant Agencies").

Any agency or organization applying for a grant, as a minimum, should be prepared to:

1. Provide assistance to various local and regional health agencies in the preparation of specialized health plans;
2. Recommend goals and policies for developing and improving the physical, mental, and environmental health facilities in the area;
3. Establish priorities for short- and long-range programs to attain regional health goals;
4. Provide continuing liaison and informational services to insure communication of planning progress and decisions to the general public and appropriate agencies;
5. Conduct periodic reviews of all health planning activities in the region;
6. Contribute to the State planning effort by preparing data and studies that will aid in the preparation of the comprehensive Statewide plan; and
7. Review and comment upon local applications for grants and upon proposals for initiating or expanding health and health-related programs.

In addition to the foregoing, the applicant agency should be able, at a subsequent date, to engage in other planning activities, either by itself or through contract with appropriate organizations. These additional planning activities include:

1. Establishing a system for gathering and analyzing data on the characteristics and health problems of the entire population of the area, and the availability, development, and utilization of health services, facilities, and manpower.
2. Analyzing existing studies and data, or engaging in new research to determine:
 - a. The environmental, physical, and mental health needs of low-income groups;
 - b. The number and nature of health services, facilities, and manpower available for present and future regional requirements; and
 - c. The financial, organizational, jurisdictional, or other impediments to the effective use of existing or future facilities.
3. Preparing plans and procedures necessary for improving public and other voluntary health programs.

The applicant agency should have a staff of sufficient size to carry out effectively the planning activities described above. It also should possess the necessary authority to establish the planning priorities to which it and other health planning groups will address themselves. The various elements of a comprehensive health plan need not be exclusively undertaken by the applicant agency; nor need every project undertaken be of significance to the entire region. Comprehensive areawide health planning can encompass both sub-functional and sub-regional planning activities, performed by a single agency or by several agencies within a unified framework.

Federal Requirements

Of State Governments: To be approved by the Public Health Service, an application must have received prior approval of the designated State planning agency funded under Section 314(a)

of this legislation. (In California, this is the Office of Statewide Planning, Department of Public Health.) The initial application must also have been submitted to the Governor for his review and comments.

Of Regional or Area Planning and Programming Agencies:
Section 204 of P.L. 89-754 applies.

Of Applicant Agencies: To be eligible for a planning grant, an applicant agency -- in addition to meeting the requirements described previously -- must meet the following criteria:

1. Its board of directors or advisory council must be representative of the major public and voluntary agencies, organizations, and institutions concerned with physical, mental, and environmental health services, facilities, and manpower.
2. The majority of the membership of the board of directors or advisory council must be consumers (users) of health services; broadly reflecting geographic, socio-economic and ethnic groups in the area. (No person whose major occupation is the administration of health activities or performance of health services shall be considered a consumer representative.)
3. It must be recognized by the major governmental units and public and voluntary health agencies in the region as having the responsibility for conducting a comprehensive areawide health planning program.
4. Its area of jurisdiction must be coterminous with that of related planning programs.

State Requirements

The Department of Public Health, as the recipient of 314(a) grants, is responsible for the development of review procedures concerning the designation of areawide planning agencies. The criteria to be used in evaluating applicants are presently being prepared. It is expected that they will be available for distribution early in 1968.

Administrative Process for Grant Applications

The administrative process for reviewing grant applications is still in the formation stage. As of this date, there

have been no applications submitted to the Public Health Service Regional Office in San Francisco. It is unlikely that there will be any before 1969; therefore, the procedures listed below should be regarded as tentative at best.

Applications will have to receive the initial approval of the State health planning agency and the Governor. Deadlines for the submission of applications and the length of time involved for State review have not yet been established. Following State approval, applications will be forwarded to the Public Health Service for final approval and funding. The schedule below shows the tentative PHS review cycle.

<u>Application Date</u>	<u>Notice of Award</u>
June 1	August 28
September 1	December 3
December 1	March 5
March 1	June 3

At the time the applicant is notified that its application has been approved by the Public Health Service, the notification will show the amount of the initial award for the first year of the project and the approximate amount of Public Health Service support tentatively committed for the remainder of the project period. The actual amounts to be awarded for succeeding years will be determined annually. Such future support of an approved project is contingent on the satisfactory development of the project, on the available funds, and on the annual submission and approval of the continuation applications.

Budget Information

Total Federal Authorization: P.L. 89-754 authorized appropriations of \$5 million for fiscal 1967 and \$7.5 million for fiscal 1968. The "Partnership of Health Amendments of 1967" (H.R. 6418) contains provisions to extend this program through 1971. H.R. 6418 authorizes appropriations of \$10 million for fiscal 1969, and \$15 million for fiscal 1970 and 1971.

Formula for Allocation to the States: None

State Financial Participation: None

1967-68 Appropriations: The amounts of \$5 million and \$7.5 million were authorized for fiscal 1967 and 1968 respectively. The actual appropriations were not available.

Historical Data and Program Trends

This program differs from the others included in this manual in the requirements it places upon ABAG. Whereas the other Federal programs require the ongoing review of a number of different proposals from a number of different jurisdictions, this program involves but one applicant. The crucial decisions, therefore, will center not around the contents of the application, but rather around the applicant agency itself. ABAG will have to be prepared to comment on the makeup of the applicant, its personnel composition, and its ability adequately to represent the region. To date, a number of different health-oriented organizations have indicated a desire to become the designated areawide health planning agency. Among them are the Alameda County Health Officers Association, the Bay Area Health Facilities Planning Association, and the San Francisco Health Officers Association.

The importance of a close working relationships between ABAG and the designated health planning agency can readily be seen in the "Partnership for Health Amendments of 1967" which is now pending before Congress. In response to resolutions passed by the U.S. Conference of Mayors and the National Association of Counties, the Committee on Interstate and Foreign Commerce added an amendment to the bill designated to insure local governmental participation in the planning process. The amendment reads as follows:

" . . . but with appropriate representation of the interests of local government where the recipient of the grant is not a local government or combination thereof or an agency of such government or combination . . . "

Looking to the future, it is possible to speculate on the form of relationship that will evolve between the designated health planning agency and ABAG. At the outset, it is likely that ABAG will have to act as the "sponsor" of a single applicant. Following State and Public Health Service approval, a close working relationship will have to be established and maintained if the intent of the legislation is to be fulfilled. It is likely that this will result in some form of formal association between ABAG and the designated agency. This could possibly take the form of ABAG's becoming an "advisory council" to the agency, with responsibility for policy recommendations and an annual program review.

Cross-Reference to Other Programs

1. This program is intended to supplant the planning activities carried out under grants obtained through the Hill-Burton program. Hill-Burton planning grants are made for health facilities planning only. For further information see the Hill-Burton summary in this manual.
2. Planning agencies which are currently receiving health planning grants under the Hill-Burton or other health-related programs are eligible to continue to receive assistance through 1969, or until a single health planning agency has been officially recognized.

Sources

1. P.L. 89-749
2. "Partnership for Health Amendments of 1967" (H.R. 6418)
3. Information and Policies on Grants for Comprehensive Areawide Health Planning -- Section 314(b): August 30, 1967
4. Instructions for Preparation and Submission of Areawide Health Planning Grant Applications (Form 5028-1 -- September 18, 1967)

ABAG Review Requirements (Proposed)

To assure that comprehensive regional health planning is undertaken in a manner responsive to the total needs of the Bay Area, it is recommended that ABAG assume a leadership role in the selection of an agency to carry out this task. Initially ABAG should establish a close relationship with the State Department of Public Health. The Department, as noted previously, must approve an areawide application before the Public Health Service will award a grant.

Efforts should be made toward achieving State concurrence on two primary issues:

1. A State requirement that only one agency, with boundaries coterminous to ABAG's will be approved for the Bay Area; and
2. That ABAG review all Bay Area applications prior to their consideration by the Department of Public Health.

Once ABAG and the Department have reached an agreement on these issues, ABAG should sponsor a series of meetings to which potential applicants and interested parties would be invited.

Following the selection of an agency, or the creation of a new one should none of the present agencies be willing or capable of undertaking comprehensive health planning, a close working relationship should be established between the agency and ABAG. This could possibly take the form of ABAG's serving as an advisory council or an ABAG staff member -- such as the Executive Director or the Director of Project and Program Review -- serving on such a council.

It also is recommended that once a comprehensive health planning agency is designated and becomes active, consideration be given to delegating to it a portion of ABAG's review responsibilities for health facility applications. This would permit ABAG to refer Hill-Burton and other health facility applications to the specialized agency for a program review prior to ABAG consideration.

CATEGORY: PLANNING ASSISTANCE

Program: Water and Related Land Resources Planning

Common Name of Program: State and Regional Water Resources Planning

Authorizing Legislation: Water Resources Planning Act of 1965, P.L. 89-80 (Title 42 USC 1962-63 d-3)

Eligible Recipients: States

Program Aid: Planning Grants

Responsible Federal Agency: Water Resources Council

Program Description and Objectives

The need for a coordinated effort on the part of both public and private interests in the development of comprehensive plans for the conservation, development, and utilization of water and related land resources has long been apparent. Congress, recognizing this need, passed the Water Resources Planning Act of 1965 to promote the accomplishment of this goal.

This legislation creates the Water Resources Council and makes it the principal Federal agency for coordinating water and related land resource planning being carried out by both public agencies and private enterprises. The principal features of the Act are contained in Titles I, II, and III.

Title I: This Title creates the Water Resources Council with a membership comprised of the Secretaries of Agriculture; Army; Health, Education, and Welfare; Interior; and Transportation; and the Chairman of the Federal Power Commission. The Secretaries of Commerce and Housing and Urban Development serve as associate members.

The principal duties of the Council are:

1. To prepare a biennial report on the adequacy of the available water supply to meet the needs of each water resource region;
2. To maintain a continuing study of regional and river basin plans and programs and their relationship to meeting the needs of such areas; and

3. Review the plans developed by River Basin Commissions established under Title II (see below).

The Council is to make periodic reports to the President on the adequacy of Federal programs in meeting the future water supply needs of each region.

Title II: This Title authorizes the President, on the recommendation of the Council, to establish River Basin Commissions for designated areas. These Commissions are to be comprised of:

1. A chairman appointed by the President;
2. One member from each Federal agency operating in the basin;
3. One member from each basin State appointed by the Governor; and
4. One member from each interstate water compact agency.

Commissions, so established, are to be the principal agency for coordinating Federal, State, interstate, local, and non-governmental plans for developing a basin. To accomplish this, Commissions are empowered to:

1. Prepare and maintain a comprehensive plan for joint Federal, State, interstate, local, and non-governmental development;
2. Recommend long-range development programs and to establish priorities; and
3. Undertake such studies as may be necessary.

There are no River Basin Commissions presently operating in the Pacific Southwest and it is unlikely that there will be any in the near future. Comprehensive planning is underway, however, under the direction of the Pacific Southwest Inter-Agency Committee (PSIAC). This agency, comprised of Federal and State agencies, serves as a field committee for the Water Resources Council. It has authorized the preparation of comprehensive framework studies for four areas in the Pacific Southwest, one of which is California.

Planning in California is carried out under the auspices of the California State-Federal Inter-Agency Group. This organization, commonly known as the "Four-Agency Committee," was established in 1958 to coordinate the activities of State and Federal water resource development. The members are:

1. State Department of Water Resources
2. Bureau of Reclamation

3. Corps of Engineers

4. Soil Conservation Service

Title III: This title authorizes the Water Resources Council to make grants to designated State agencies to assist in the development of comprehensive water and related land resources. These funds can also be used for training personnel and, if none already exists, the establishment of a State agency. Grants cannot exceed 50% of eligible costs.

Eligible Agencies and Kinds of Projects

The only mention, in Title III, of eligible recipients refers to designated State agencies. While grants to lower level agencies are not specifically prohibited, there is nothing to indicate that this will occur.

The recipient of a grant is expected to engage in activities that will lead to the formation of a truly comprehensive State water plan. In the preparation of such a plan, the planning agency is to work in conjunction with River Basin Commission (established by Title II) and with all other public and private agencies having an interest in water planning.

Federal Requirements

Of State Governments: To be eligible to receive Title III grants, States must:

1. Provide for comprehensive planning of water resources to meet future demands;
2. Provide for the full cooperation and coordination of all State agencies involved in water planning;
3. Designate a State agency to administer the program;
4. Provide that the agency will make such reports as are required by the Council; and
5. Establish the procedures to be followed in developing a State plan.

Of Regional or Area Planning and Programming Agencies: Section 204 of P.L. 89-754.

Of Applicant Agencies: Section 204 of P.L. 89-754

State Requirements

Since only the Department of Water Resources is eligible to receive Title III funds, this section is not applicable.

Budget Information

Total Federal Authorization: For fiscal years 1966 through 1975, there is authorized to be appropriated an annual sum not to exceed \$5,000,000.

Formula for Allocation to the States: The Council is to allocate funds on the basis of population, land area, planning needs, and financial needs.

State Financial Participation: The State must contribute at least 50% of total costs. In California, the State share is considerably higher (see below).

1967-68 Federal Appropriations: For fiscal 1967, the national appropriation was \$1,175,000 of which \$43,318 was allocated to California. The amounts for 1968 are \$2,500,000 and \$68,110 respectively.

Historical Data and Program Trends

It should be noted that the intent of Title III was to stimulate water planning in States where such planning was either limited or non-existent. Since California, under the leadership of the Department of Water Resources, has long been active in water planning, the effect of this title is quite limited. This can easily be seen when the Federal grants to California of \$43,000 and \$68,000 are compared with the State's annual expenditure of more than \$10,000,000 on water planning.

Cross-Reference to Other Programs

None

Sources

1. P.L. 89-80
2. Pacific Southwest Inter-Agency Committee Reports

ABAG Review Requirements (Proposed)

This program, as noted in the summary, was enacted to encourage States to develop comprehensive water plans. Since California has been very active in this field, the grant provisions have had little impact -- last year's Federal grant of \$60,000 constituted less than 1% of the Department of Water Resources' expenditure on water planning. ABAG's review of the Department's annual application would be of little significance. It is, however, recommended that ABAG develop a working relationship with the Department for the regular exchange of information on water planning affecting the Bay Area.

CATEGORY: PLANNING ASSISTANCE -- RIVER BASIN

<u>Program:</u>	River Basin Pollution Control and Abatement Planning
<u>Common Name of Program:</u>	Comprehensive River Basin Planning
<u>Authorizing Legislation:</u>	The Clean Water Restoration Act of 1966; P.L. 89-753 (new).
<u>Eligible Recipients:</u>	States Regional Planning Agencies
<u>Program Aid:</u>	Planning Grants
<u>Responsible Federal Agency:</u>	Federal Water Pollution Control Administration Department of the Interior

Program Description and Objectives

This program authorizes the Secretary of the Interior to make grants to qualified planning agencies to assist them in the development of comprehensive pollution control and abatement plans for river basins. ^{1/} These grants can be made for up to 50 per cent of the administrative costs of an agency and can cover a period not to exceed three years. Grants are available to agencies designated by the Governor as being responsible for the development of a pollution control program throughout an intra-state or interstate basin. The grants can also be used to support the preparation of the pollution control aspects of a regional plan for a metropolitan or multi-community area as part of a basin plan.

The basic purpose of this program is to aid in the development of a comprehensive pollution control plan that will lead, eventually, to the formulation of an "action" program designed to improve water quality. A comprehensive plan, once completed, is expected to provide the framework for:

^{1/} For the purposes of this program, the term "basin" includes, but is not limited to, "rivers and their tributaries, streams, coastal waters, sounds, estuaries, bays, lakes, and portions thereof, as well as the lands drained thereby."

1. Eliminating and controlling pollution throughout a basin; and
2. Providing a basis for the continuing cooperation of public and private interests in water-quality management programs.

Eligible Agencies and Kinds of Projects

To be eligible for planning grant assistance under this program, an applicant must meet the following requirements:

1. Official Designation by the Governor: Before a grant application will be given consideration by the Federal Water Pollution Control Administration (FWPCA), the Governor of the State must certify that the applicant is the designated planning agency for the river basin in question.
2. Representation of Interested Bodies: The designated agency must provide for the representation of appropriate State, regional, and local interests in the preparation of the comprehensive plan.
3. Planning Capability: The applicant agency must demonstrate that it has, or will acquire, a competent professional staff capable of developing an effective, comprehensive water quality control and pollution abatement plan for the subject basin.

A project site (basin area) should encompass that physical or hydrologic entity which offers an effective approach to systematic water quality control. The kinds of planning projects that will be carried out in such an area are, of course, dependent upon conditions peculiar to a particular basin. Nevertheless, a completed comprehensive plan must include the following elements:

1. An analysis of water pollution control problems and the necessity for solving them through joint action;
2. A thorough description of water quality objectives and standards;
3. A recommended method of achieving water quality objectives; and

4. A suggested program for implementing the recommendations including the necessary enabling legislation, organizational arrangements, and required finances.

Federal Requirements

Of State Governments: The Governor must certify that the applicant agency is designated to perform the planning work required. In addition, if the applicant is other than a State agency, appropriate arrangements must be made to include State representatives.

Of Regional or Area Planning and Programming Agencies: In addition to having appropriate regional representation, the provisions of Section 204 of P.L. 85-754 must be met.

Of Applicant Agencies: It is of critical importance that the applicant for a planning grant describe, in detail, the methods by which it proposes to establish functional and financial arrangements with other planning and development agencies. In addition, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

There are no State requirements, as such, for inclusion in this program. However, an applicant must be certified by the Governor.

In California, the State Water Resources Control Board has been designated by the Governor as the State agency responsible for the development of a comprehensive pollution control program for the San Francisco Bay and Delta. It is technically possible that another agency could be designated to develop a regional plan for a component part of the Bay, but it is unlikely that this will be done.

Administrative Process for Grant Applications

As of this date, administrative procedures are being developed for the processing of grant applications. The State Water Resources Control Board Application is the first to be received by Federal Water Pollution Control Administration (see "Historical Data," below). Although procedures and timetables

have not been established, a proposal must be approved by both the FWPCA Regional Office and the Washington Headquarters before it can be funded.

Budget Information

Total Federal Authorization: The authorization for fiscal 1967 was \$3,000,000. For fiscal years 1968 through 1971, an annual sum not to exceed \$5,000,000 is authorized to be appropriated.

Formula for Allocation to the States: None

State Financial Participation: See "Historical Data," below.

1967-68 Federal Appropriations: The fiscal 1968 appropriation is \$500,000 nationally. It is expected that a larger sum will be requested in fiscal 1969.

Historical Data and Program Trends

Nationally, only one application has been made for River Basin planning funds. This is the State Water Resources Control Board application of December 1, 1967, submitted to the FWPCA Regional Office in San Francisco. The State Board seeks Federal funds to finance, in part, the San Francisco Bay-Delta Water Quality Control Program, now in its second year of development. This program, authorized by the State Legislature in 1965, calls for an intensive, three-year study of Bay Area water pollution and control problems. The State Board's report, financed by \$2,800,000 in State funds, is due in early 1969.

The State Board's application requests \$568,000 from FWPCA to finance their Bay-Delta Program studies through fiscal 1970. The initial phase of the study will contribute to the Bay-Delta program report, with the last two years being spent on related planning for refinement and implementation of the pollution control program. Although formal administrative procedures have not yet been established, it is expected that ABAG will be asked to comment on the application early in 1968.

In addition to the State Board request to FWPCA, the State Office of Planning is preparing an additional \$850,000 request for "701" planning assistance from the Department of Housing and Urban Development. These funds would be used to finance, in part, the Bay-Delta study in 1968.

Cross Reference to Other Programs

1. "701" Planning Assistance (HUD).
2. Water Resources Council - State Water Planning Grants.

Sources

1. P.L. 89-753
2. Comprehensive River Basin Planning (FWPCA).
3. Application Procedures and Requirements for Planning Grants (FWPCA).

ABAG Review Requirements (Proposed)

The only agency presently eligible to receive financial assistance is the State Water Resources Control Board. Its application, for the Bay-Delta study, has been prepared and submitted to the Regional Office of the Federal Water Pollution Control Administration. FWPCA personnel have given assurances that this proposal will be submitted to ABAG after the first of the year.

There is no indication as to whether the State Board will submit additional applications in the years to come. In the event that they do, procedures should be established to permit ABAG to review proposals prior to their consideration by FWPCA.

It is also recommended that ABAG establish a close working relationship with the State Board to facilitate the exchange of information pertaining to the Bay-Delta study. This can be done without difficulty through the auspices of the Bay-Delta's Technical Advisory Committee of which ABAG's Executive Director is a member.

III. WATER, SEWERAGE, AND WASTE TREATMENT FACILITIES

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CATEGORY: WATER, SEWERAGE, AND WASTE TREATMENT FACILITIES

<u>Program:</u>	Construction of Water and Sewer Facilities
<u>Common Name of Program:</u>	Basic Water and Sewer Facilities
<u>Authorizing Act:</u>	Housing and Urban Development Act of 1965. P.L. 89-117, Title VII (new). [Title 42 USC 3101-3108]
<u>Eligible Recipients:</u>	Local General Governments Special Districts
<u>Program Aid:</u>	Project Grants
<u>Responsible Federal Agency:</u>	Department of Housing and Urban Development Office of Metropolitan Development

Program Description and Objectives

The purpose of this program is to assist and encourage the communities of the nation to meet fully the needs of their citizens by making it possible, with Federal grant assistance, to:

"construct adequate basic water and sewer facilities needed to promote the efficient and orderly growth and development of our communities."

Direct grants are available to local public bodies and agencies to finance 50% of the cost of constructing new water and sewer facilities, or enlarging or improving (including rehabilitating) existing facilities. ^{1/} Additional grant assistance is available to applicants for relocation payments to persons and organizations displaced from land acquired as a site for the facility to be assisted. Relocation grants can be for up to 100% of the displacement costs.

Eligible Agencies and Kinds of Projects

To be eligible for assistance the applicant must be a local public body or agency, with legal authority to plan, finance, construct, and operate the proposed facility.

^{1/} Direct grants of up to 90% of the development cost are available for communities of less than 10,000 if they: a) presently lack adequate facilities; b) are unable to finance the necessary construction; and c) have had a continuous unemployment of at least 100% above the national average for the preceding calendar year.

Grants are available to help finance construction of specific projects for basic water and sewer facilities. Water facilities include works to store, supply, treat, purify, or distribute water of sufficient quality and quantity for domestic, commercial, and industrial uses. Sewer facilities include sanitary sewer systems for the collection, transmission, and discharge of liquid wastes (but not treatment works eligible for assistance under the Federal Water Pollution Control Act) and storm sewer systems for the collection and transmission and discharge of storm water caused by rainfall or ground water runoff.

A grant may be made for a water or sewer facilities project if it is determined that the proposed project is necessary to provide adequate water or sewer facilities and will contribute to the improvement of the health and living standards of the people to be served. In addition, the project must be:

1. Designed so that an adequate capacity will be available to serve the reasonably foreseeable growth needs of the area;
2. Consistent with a program for a unified or officially coordinated areawide water or sewer facilities system as part of the comprehensively planned development of the area; and
3. Necessary for orderly community development.

Prior to July 1, 1968, a grant may be made for a water or sewer facility if the areawide facilities plan is not completed. However, the plan must be under active preparation and reasonable assurance must be provided that proposed facility will not conflict with it.

Federal Requirements

Of State Governments: None

Of Regional or Area Planning and Programming Agencies: A key element in this program is the requirement that there be an areawide approach for water and sewer facilities. Effective July 1, 1968, no grants will be made unless there exists an areawide comprehensive plan for water and sewer facilities. After that date, all applications must include a certification by a designated regional review agency (ABAG) that:

1. The project is consistent with a short-range, areawide water or sewer system program;
2. The areawide program is based on long-range, areawide water and sewer planning;

3. Water and sewer planning is part of a long-range, areawide comprehensive planning; and
4. Comprehensive planning is conceived and carried out to attain urban area goals and objectives under the policy of local elected officials.

In addition, the provisions of Section 204 of P.L. 89-754 are applicable.

Of Applicant Agencies: In addition to meeting the applicable parts of the planning requirements, the provisions of Section 204 of the P.L. 89-754 must be followed.

State Requirements

None

Administrative Process for Grant Applications

The administrative process for reviewing water and sewer applications includes five separate steps covering an elapsed time period of five to nine months.

1. Preliminary Inquiry: Applicant agency submits HUD form No. 101 containing an outline of the proposed facility and its cost to the HUD regional office. At this point determination is made of the Federal agency having jurisdiction (i.e., Economic Development Administration, Farmers Home Administration, Federal Water Pollution Control Agency, or Housing and Urban Development). If the proposal is within HUD's jurisdiction, a preliminary project rating (funding analysis) is performed. The applicant is then notified as to whether or not it is eligible for assistance at this time. If the proposed facility is within the jurisdiction of another Federal agency, the application is forwarded to that agency and the applicant so notified. (Time: one to three months)
2. ABAG Review: Following notification by HUD that proposed facility is within its jurisdiction, the applicant is required to obtain the review and comments of the designated regional review agency. (Maximum time: sixty days)
3. Pre-Application Conference: Applicant agency representatives and HUD (MDO) personnel meet for a pre-application conference, at which the specific requirements are outlined.

Also, the applicant is required to furnish evidence (ABAG letter) showing that the necessary regional planning requirements have been met. (Time: one to two months)

4. Submission of Formal Application and Technical Review:

The applicant furnishes detailed plans (including engineering specifications) of the proposed facility. Copies are sent to various HUD technical offices for review and comment. If the application involves a sewer system, a copy is sent to the Federal Water Pollution Control Agency (FWPCA) for its review. If the formal proposal contains plans that have been substantially altered from those originally described in Form No. 101, ABAG will be asked to review the modifications.

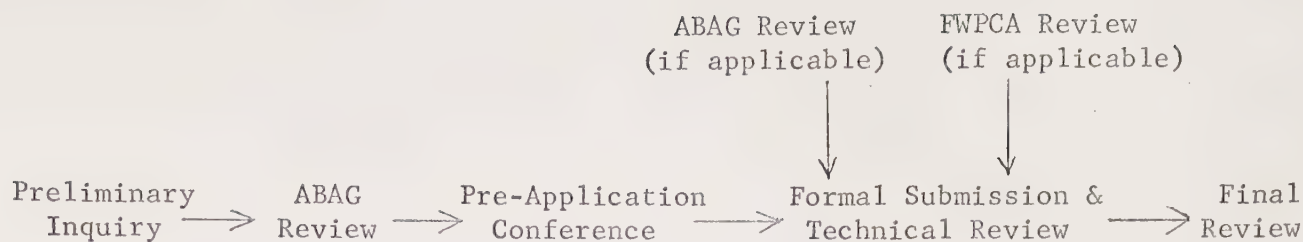
- a. Planning one to two weeks
- b. Engineering one to two weeks
- c. Finance one to two weeks
- d. Legal one to two weeks
- e. FWPCA (if applicable)... one month
- f. ABAG (if applicable).... one month

(Time: Two to three months)

5. Central Office Review: If the proposal has successfully cleared all of the steps in the review process it is forwarded to Washington for final approval and funding. (Time: one month)

As of this date, HUD (MDO) has not established formal procedures regarding the frequency at which funding analyses (initial review and rating) are held. The practice in the past has been to hold two to three per year at varying intervals, depending on the number of applications received.

The ABAG review of water and sewer applications has a dual significance. ABAG is required to review proposals in general manner regarding their conformity with areawide comprehensive plans. The ABAG review also is expected to insure that it will be possible, at a later date, to integrate the proposed facility with neighboring facilities. The secondary review by ABAG (see outline) will be held only if an applicant's plans have been significantly modified from the initial application. This is a HUD requirement designed to guarantee that neighboring facilities will not conflict or overlap with each other.



(Total elapsed time: five to nine months)

Budget Information

Total Federal Authorization: For each fiscal year through 1969, the authorization for appropriations for "basic water and sewer facilities" is \$200,000,000.

Amounts appropriated shall remain available until expended.

Formula for Allocation to States: None

State Financial Participation: None

1967-1968 Federal Appropriations: \$165,000,000 nationally for fiscal 1968.

Historical Data and Program Trends

This program, though only two years old, has contributed significantly to the construction and modernization of water and sewer systems in the Bay Area. To date, projects totaling more than \$2,600,000 in Federal assistance have been approved for the Bay Area and others are in the final approval stage with more than \$1,000,000 in funds reserved. The number of applications has grown rapidly and is expected to double in forthcoming years. HUD (MDO) personnel estimate that ABAG could conservatively expect 20-25 proposals in the next year. The following categorized list of projects gives a further indication of the work load ABAG can anticipate.

1. Approved Projects

Martinez (12-66)	732,000
Napa County (6-67)	166,300
Palo Alto (7-67)	145,600
Richmond (7-66)	996,000
Santa Clara County (8-67)	557,500

2. Pending (Funds reserved pending final approval of plans)

Gilroy (4-67)	377,500
Los Altos (3-67)	450,000
Oakland (6-67)	182,500
Pacifica (6-67)	84,000

3. Review of Formal Proposal

San Jose	750,000
Santa Clara	194,800

4. Preliminary Inquiry (awaiting funding analysis)

Alameda County	650,000
Contra Costa County	1,028,000
Cupertino (2)	275,000
	71,500
Healdsburg	51,000
Gilroy	297,500
Napa County (2)	751,000
	208,800
San Jose	124,250
San Mateo County	450,000
Sebastapol	305,000
Sonoma	182,700
Vacaville (2)	259,300
	374,000
Woodside	261,800

(Note: Those projects in category No. 4 that pass the funding analysis will require ABAG review before a formal proposal can be submitted.)

Cross-Reference to Other Programs

1. Communities of under 50,000 can obtain loans from the Department of Housing and Urban Development to cover "their share of the project cost". For further information see the heading "Public Facility Loans" in this manual.
2. For information on sewer and water grants from the Economic Development Administration, see the heading "Public Works and Development Facilities" in this manual. The EDA program is restricted to designated redevelopment areas; at present only Oakland is so designated.

3. For information on programs sponsored by the Federal Water Pollution Control Agency, see the heading "Waste Treatment Facilities" in this manual.
4. For information on programs sponsored by the Farmers Home Administration, see the heading "Rural Water and Waste Disposal Facilities and Planning" in this manual. The FHA program is restricted to communities of less than 5,500.

Sources

1. United States Code Annotated. Effective through October 16, 1966 up to and including P.L. 89-695
2. Water and Sewer Facilities Planning Requirements Guide (January, 1966)
3. HUD Program Guide No. 41401; Water and Sewer Facilities Grant Program (January, 1966)
4. HUD Fact Sheets No. 101-A (January, 1966) and No. 41402 (January, 1966)

ABAG Review Requirements (Proposed)

ABAG's role in the review of HUD sewer and water applications has already been established and is functioning satisfactorily under present Federal requirements.

Effective July 1, 1968, the new Federal requirements for long-range regional planning in this functional area and programming of projects will -- if enforced -- place significant added responsibility on ABAG. The Committee on Environmental Improvement and Waste Management is now addressing itself to this problem; the results of its study should include ABAG's new review requirements for this program.

CATEGORY: WATER, SEWERAGE, AND WASTE TREATMENT FACILITIES - RURAL

<u>Program:</u>	Construction of Rural Water and Waste Disposal Facilities
<u>Authorizing Legislation:</u>	Consolidated Farmers Home Administration Act of 1961; P.L. 87-128; amended by P.L. 89-240. [Title 7 USC 1926(a)(b)]
<u>Eligible Recipients:</u>	Local General Governments Public or Private Non-profit Agencies
<u>Program Aid:</u>	Project Grants Project Loans
<u>Responsible Federal Agency:</u>	Farmers Home Administration Department of Agriculture

Program Description and Objectives

This program makes financial assistance available to qualified applicants for the construction of rural water and waste disposal systems. Assistance can be obtained for the construction, expansion, or rehabilitation of such systems in rural areas. The rural area to be served can be an extensive area in sparsely populated open country as well as towns and villages with populations of 5,500 or less. The area may include an entire county, several counties, or areas which form a logical geographic or economic section of a State.

The financial assistance available to applicants includes both loans and grants. Loans are available on a long-term, low-interest basis to a maximum term of forty years. Interest rates are:

1. 5% for private non-private organizations;
2. 4.5% for public agencies in non-EDA counties; and
3. 4.125% for public agencies in EDA counties. 1/

Grants may be obtained to help finance up to 50% of the development cost of a water or waste disposal system. 2/ However, because of the scarcity of funds, a grant is authorized only when it can be shown that the proposed development would otherwise result in users charges

1/ EDA counties are those which have been designated by the Secretary of Commerce as economic development areas. At this time, there are no Bay Area counties so designated.

2/ Normally rural waste treatment works will be financed through the Federal Water Pollution Control Administration. FHA will provide assistance only if FWPCA funds are not available.

exceeding a reasonable level. For a grant to be authorized, the following criteria must be met:

1. The proposed facility is economically planned and designed;
2. The estimated annual cost per user will be substantially higher than the rates charged users of similar systems; and
3. The locality is without sufficient finances to reduce user charges to a reasonable level.

Eligible Agencies and Kinds of Projects

Local general governments and public or private non-profit agencies meeting the following criteria are eligible for assistance:

1. They are unable to obtain needed funds from other sources at reasonable rates and terms; and
2. They have legal capacity to borrow and repay the loan, to pledge security for loans, and to operate the facilities or services.

Assistance obtained through this program can be used to install, repair, improve, or expand rural water supply and distribution systems including water supply reservoirs, pipe lines, wells, pumping plants, and water filtration and treatment such as chlorination, flouridation, and iron removal. Assistance also can be used to install, repair, improve, or expand waste disposal systems including sewer lines, treatment plants, and stabilization ponds.

Federal Requirements

Of State Governments: None

Of Regional or Area Planning and Programming Agencies: After October 1, 1968, no grant or loan shall be made in connection with any facility unless the Secretary of Agriculture determines that the project:

" . . . is necessary for orderly community development consistent with a community water or sewer development plan of the rural area and not inconsistent with any planned development under State, county, or municipal plans approved as official plans by competent authority for the area in which the rural community is located."

Prior to October 1, 1968, the Secretary may make grants if he receives assurance that the comprehensive plan is under active preparation and that the proposed facility will be in harmony with it.

In addition to the above, the provisions of Section 204 of P.L. 89-754 are applicable.

Of Applicant Agencies: The applicant agency's total indebtedness to the Federal Government for assistance obtained through this program shall at no time exceed \$4,000,000. In addition, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

None

Administrative Process for Grant Applications

Initial applications for loan and/or grant assistance are submitted to the Farmers Home Administration County Office for review by the local FHA Advisory Committee. 1/ Following County Office approval, the application is forwarded to the FHA State Director's Office. The State Director can approve applications involving the expenditure of less than \$250,000 in Federal funds. Proposals exceeding this amount are forwarded to Washington for approval.

Projects which call for the construction of waste disposal systems must be approved by the California State Water Quality Control Board. This requirement is handled by the State Director's Office. 2/

The FHA State Office has not established funding cycles or administrative regulations regarding the dates by which applications must be submitted. It is estimated that six months to a year is required to process an application.

Budget Information

Total Federal Authorization: P.L. 89-240 authorized an annual appropriation not to exceed \$50,000,000 for grants and loans for rural water and waste disposal systems.

Formula for Allocation to the States: None

State Financial Participation: None

1/ FHA County Offices serving the Bay Area are located at San Jose, Santa Rosa, and Stockton.

2/ FHA proposals, while they do require State approval, do not require Federal Water Pollution Control Agency approval.

1967-68 Appropriations: Nationally \$26,000,000 in loan funds and \$400,000 in grants funds were made available in fiscal 1967. The 1968 fiscal figures are \$30,000,000 and \$600,000 respectively. There is no statutory limit as to what portion of these funds can be expended in California.

Historical Data and Program Trends

During the brief history of this program there have been no applications submitted by Bay Area Public Agencies and none are expected in the coming year. In a few cases, inquiries have been received from Bay Area agencies; however, it was determined that the Department of Housing and Urban Development had jurisdiction and the applicants were referred to HUD.

The only sections of the Bay Area that could conceivably qualify for inclusion in the program are the rural portions of Napa, Solano, and Sonoma Counties. FHA personnel estimate that a maximum of two or three applications a year would be submitted by agencies in those counties.

Cross-Reference to Other Programs

1. For information on financial assistance available to aid in the development of comprehensive water and sewer plans in rural areas, see the program summary under the general heading "Planning Assistance".
2. For information on sewer and water grants and loans available through the Department of Housing and Urban Development, see the program summary under the general heading "Public Works".

Sources

1. P. L. 89-240
2. P. L. 89-754
3. Department of Agriculture: Documents Nos. PA-705 and PA-707.

ABAG Review Requirements (Proposed)

It is recommended that ABAG request FHA to include in its requirements a letter from ABAG prior to FHA consideration of applications, in keeping with Section 204 of P.L. 89-754.

After October 1, 1968, ABAG should assure itself that the new requirements regarding community and area planning are met. (See Federal Requirements of Regional or Area Planning and Programming Agencies in this Manual section.)

CATEGORY: WATER, SEWERAGE, AND WASTE TREATMENT FACILITIES

<u>Program:</u>	Solid Waste Disposal
<u>Authorizing Legislation:</u>	The Solid Waste Disposal Act of 1965; P.L. 89-272 [Title II](42USC 3251-3259)
<u>Eligible Recipients:</u>	States Local general governments Special districts Public or private non-profit organizations
<u>Program Aid:</u>	Project grants
<u>Responsible Federal Agency:</u>	Solid Wastes Program Public Health Service Department of Health, Education and Welfare

Program Description and Objectives

This program is designed:

1. "To initiate and accelerate a national research and development program for new and improved methods of proper and economic solid-waste disposal, including studies directed towards the conservation of natural resources, by reducing the amount of waste and unsalvageable materials and by recovery and utilization of potential resources in solid wastes; and
2. To provide technical and financial assistance to State and local governments and interstate agencies in the planning, development, and conduct of solid-waste disposal programs."

To accomplish these objectives, the Secretary of Health, Education and Welfare has been authorized to grant financial assistance for the development of new and improved methods of solid waste disposal. 1/

1/ The term solid waste means "garbage, refuse, and other discarded solid materials resulting from industrial, commercial, and agricultural operations, and from community activities, but does not include solids or dissolved material in domestic sewage or other significant pollutants in water resources, such as silt, dissolved or suspended solids in industrial waste water effluents, dissolved materials in irrigation return flows or other common water pollutants." The Secretary of the Interior is granted authority over the latter types of solid waste. See this manual's chapter on Interior's Waste Treatment Facilities program for further information.

Specifically, these separate types of assistance are available:

1. Research and Training Grants: Grants of up to 100% of the project cost are available to universities and colleges, state or local health departments, and public or private non-profit organizations. These may be used to meet the costs of personnel, equipment, and materials involved in the research or training program.
2. Demonstration or Study and Investigation Grants: Grants of up to two-thirds of the project cost are available to eligible agencies for projects which hold promise of developing new methods of solid waste disposal. Grants of two-thirds are also available for study and investigation projects designed to yield new solutions to regional or national solid waste disposal problems.
3. State and Interstate Survey and Planning Grants: Grants of up to 50% of the project cost are available to state and interstate agencies for the surveying of needs and the development of comprehensive solid waste disposal management.

(Of the above categories, the second is most important to ABAG, therefore the remainder of this review is devoted to it.)

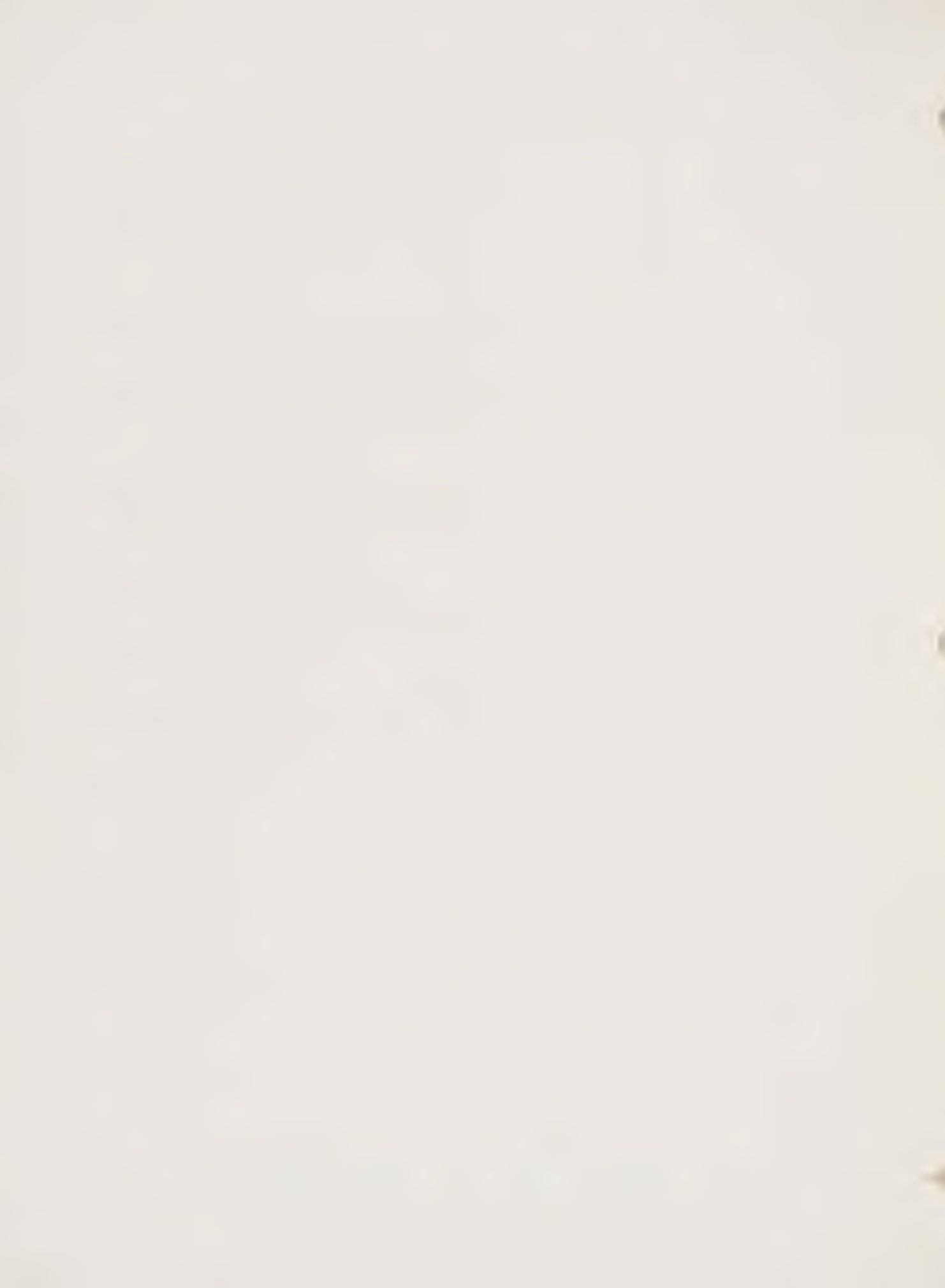
Eligible Agencies and Kinds of Projects

Any public agency or private non-profit organization legally able to receive and spend Federal funds is eligible for assistance under the demonstration and study provisions of this program.

Grants are available for the support of demonstration projects of new and improved solid-waste disposal methods, devices, and techniques; studies and investigations of municipal and regional solid-waste disposal problems, practices and programs; and studies and investigations of particular solid-wastes, solid-waste disposal problems, practices and techniques. This program also provides support for demonstration, study, and investigation projects on the reduction of the amount of solid wastes and unsalvageable waste materials, and the recovery and utilization of potential resources in solid-wastes. Financial assistance also is available for the construction of facilities needed for demonstration projects, but not for facilities needed in conjunction with study and investigation projects.

Federal Requirements (For demonstration or study and investigation grants only)

Of State Governments: No specific requirements are made of the States. However, if there is a designated State agency authorized to receive Federal funds under the statewide planning provisions of this program, a copy will be sent to that agency for review and comment.



Of Regional or Areawide Planning and Programming Agencies: Section 204 of P.L. 89-754.

Of Applicant Agencies: An Applicant for a demonstration project grant must provide assurance that open dumping or open burning of solid wastes is not authorized or is prohibited by law within the jurisdiction in which the applicant proposes to conduct the demonstration. An exception may be made if the Surgeon General is given assurance that open dumping and open burning will be eliminated within a reasonable time. The applicant must also certify that all information, uses, processes, patents, and other developments resulting from a grant will be made readily available on fair and equitable terms to industries utilizing methods of solid-waste disposal.

Applicants for study and investigation grants must provide assurances that the proposed study or investigation will be in harmony with related State, interstate, regional, and local planning activities.

In addition, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

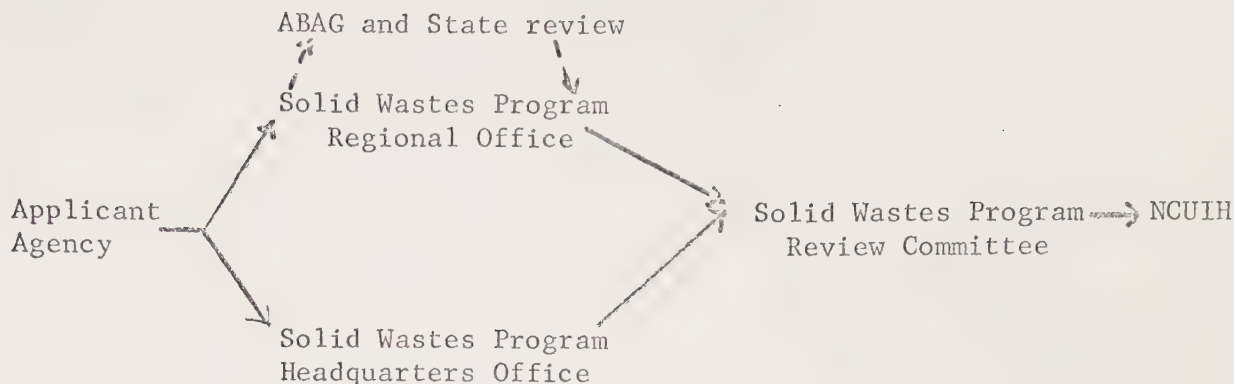
The State Department of Public Health has been designated the sole State agency for solid waste disposal planning. The Department, in turn, has delegated its responsibilities to the Bureau of Vector Control in the Division of Environmental Sanitation.

The State review of demonstration proposals is an informal one, there being no specific criteria that must be met. Proposals are reviewed on the basis of their innovation and possible contribution to new disposal methods. State comments are submitted to the Public Health Regional Office and then forwarded to the Solid Wastes Program Review Committee. (See below)

Administrative Process for Grant Applications

Grant applications are submitted to both the Solid Wastes Program Headquarters Office in Cincinnati and to the San Francisco Regional Office. The headquarters staff process and technically review applications prior to review by the Solid Wastes Program Review Committee. Additional input for the committee review is provided by comments from the Solid Wastes Program Regional Office, the designated State agency, and the regional agency responsible for developing comprehensive area-wide plans. Following committee review, the application is submitted to the Public Health Service's National Center for Urban and Industrial Health (NCUIH) for final review and funding.





There are three funding cycles each fiscal year. Although the length of the review period fluctuates, the applicant agency is advised to submit its proposal at least six months in advance of the proposed starting date. Review deadlines are as follows:

Must be received by

August 1
December 1
March 1

For review in

October
February
May

Budget Information

Total Federal Authorization: This Act authorizes the following amounts to be appropriated:

Fiscal 1966	\$ 7,000,000
Fiscal 1967	14,000,000
Fiscal 1968	19,200,000
Fiscal 1969	20,000,000

Formula for Allocation to the States: None (12-1/2% limitation was dropped July 1, 1967).

State Financial Participation: None

1967-68 Federal Appropriation: The fiscal 1967 appropriation was \$12,200,000. The fiscal 1968 appropriation had not been announced as of November 30, 1967; however, it is expected to be the equivalent of last year's.

Historical Data and Program Trends

In the two years the program has been operational, two demonstration grants and one study and investigation grant have been approved for the Bay Area. The City of Santa Clara was awarded a grant for a

three-year demonstration of accelerated stabilization techniques which would reduce health hazards and increase the capacity of land-fill operation. Also included is a compaction study of land-fill equipment. Total Federal contribution is approximately \$430,000. The City of San Francisco was awarded a grant to develop a refuse incinerator capable of handling 100 to 150 tons per day and meeting air pollution control regulations. Total Federal contribution to the project is \$645,000 over a three-year period. The City of San Jose and the County of Santa Clara were awarded a grant to investigate, study, evaluate the feasibility of a joint city-county solid waste disposal system, with a Federal contribution towards the two-year study of \$186,000. Based on these data and the current Public Health Service limitation to "new and improved" methods, it is unlikely that ABAG will be called upon to review more than two or three applications a year.

Of further interest to ABAG is the "study and investigation" provisions of this program. Under these provisions, ABAG itself would be eligible to receive assistance for the development of an areawide solid waste management plan. 1/

Cross-Reference to Other Programs

For information of waste disposal demonstration grants available through the Department of the Interior, see the program summary "Waste Facilities" in this manual.

Sources

1. P. L. 89-272
2. Various Public Health Service Solid Waste Program publications

1/ Conversations with Public Health Service personnel indicated a genuine interest in receiving a regional proposal, perhaps such as that proposed at ABAG's General Assembly meeting of October 13, 1967.

ABAG Review Requirements (Proposed)

At present, ABAG is being requested to review applications after they have been submitted to the Solid Waste Program Regional Office. While this procedure insures that the minimum requirements of P.L. 89-754 are fulfilled, it should be modified to allow ABAG an earlier review. ABAG should request that applications be submitted to it well in advance of the granting agency submission deadlines -- at least sixty days.

ABAG should give serious consideration to applying for a "survey and investigation" grant to study alternative solid waste disposal methods for the Bay Area, as a logical sequel to what it has already done in this program area.

CATEGORY: WATER, SEWERAGE, AND WASTE
TREATMENT FACILITIES -- WASTE TREATMENT

<u>Program:</u>	Construction of Waste Treatment Facilities
<u>Common Name of Program:</u>	Waste Treatment Facilities
<u>Authorizing Legislation:</u>	Federal Water Pollution Control Act of 1956; P.L. 84-660 amended by P.L. 87-88, P.L. 89-234, and P.L. 89-753. [Title 33 USC 466 et seq.]
<u>Eligible Recipients:</u>	States Local General Governments Special Districts
<u>Program Aid:</u>	Project Grants
<u>Responsible Federal Agency:</u>	Federal Water Pollution Control Administration Department of the Interior

Program Description and Objectives

Congress, in 1956, recognized that the wastes discharged from municipal sewer systems were one of the major causes of water pollution. To correct this situation, the Federal Water Pollution Control Act was passed. This legislation (and its subsequent amendment) empowers the Secretary of the Interior to make project grants to local agencies for the construction of waste treatment plants. 1/

In California, this program is jointly administered by the State Water Resources Control Board and the Federal Water Pollution Control Administration (FWPCA). The State Board is responsible for the establishment of criteria to evaluate individual applications and the annual ranking, on a priority basis, of all project applications. The FWPCA is responsible for final approval of plans and the awarding of grants.

The basic amount of a grant is 30 per cent of project costs. Under certain conditions this may be raised to 40 per cent or 50 per cent. These conditions are:

1/ Prior to May 10, 1966, this program was administered by the Secretary of Health, Education and Welfare. Executive Reorganization Plan No. 2 of 1966, transferred this responsibility to the Secretary of the Interior.

1. If a State is willing to finance 30 per cent of the cost of all projects for which Federal sewage treatment plant construction funds are available, the Federal share will be raised to 40 per cent.
2. If a State, in addition to the above, adopts enforceable water quality standards (approved by the Department of the Interior), the Federal share will be increased to 50 per cent and the State's share reduced to 25 per cent.

In addition to the above bonus programs, an applicant can receive an additional 10 per cent of the basic grants if the project is certified by the Department of Housing and Urban Development as conforming with the comprehensive plan for that area.

To date, the State of California has not appropriated any funds to aid in the construction of waste treatment plants; therefore, the amount of grant assistance available to Bay Area agencies is 33 per cent (30 per cent basic grant plus an additional 3 per cent for conformance with regional planning).

Eligible Agencies and Kinds of Projects

Agencies eligible to receive grants include any State agency, municipality, or intermunicipality which has the legal authority to construct, maintain, and operate sewage treatment works. A municipality is defined as any county, city, town, or special district having legal jurisdiction over the disposal of sewage, industrial wastes, or other wastes.

Eligible projects include the construction of new treatment facilities and the extension or improvement of existing ones. Construction grants can be used for:

1. Constructing new or additional facilities;
2. Constructing the necessary intercepting sewers, outfall sewers, pumping stations, power plants, and other equipment; and
3. Preparing preliminary plans and other activities such as engineering, legal, and fiscal investigations, studies and designs, including the supervision and inspection of construction.

Federal funds cannot be used for:

1. Land acquisition;
2. Constructing sewage collection systems or any part thereof (intercepting and outfall sewers are not considered to be a part of the collection system); and

3. Any additional work not approved by the Secretary of the Interior.

Federal Requirements

Of State Governments: Any State desiring to participate in this program must designate a single State agency as the sole administrator of the program. The designated agency is responsible for the initial approval of all applications and is required to prepare and submit to the Federal Water Pollution Control Administration an annual list of eligible projects ranked in order of need. ^{1/} This priority list is to be based on both financial and water pollution control need.

These responsibilities are assigned in California to the State Water Resources Control Board.

Of Regional or Area Planning and Programming Agencies: While P.L. 84-660 (as amended) provides for 10 per cent bonus grants to be awarded to applicants if project plans are in conformity with comprehensive regional plans, it does not require that regional planning agencies review plans. The initiative is left to the applicant to request regional review if it wishes to apply for the additional 10 per cent. However, Section 204 of P.L. 89-754 makes regional review mandatory for all applications.

Of Applicant Agencies: None other than those previously mentioned and Section 204 of P.L. 89-754.

State Requirements

The California Administration Code, Title 23, Chapter 3, serves as the counterpart of Federal legislation for this program. The Code, in brief, authorizes the State Water Resources Control Board to establish such policies and procedures as may be necessary to implement this program. The Code also creates nine regional boards to assist the State Board in carrying out its responsibilities.

The State Board regulations of primary interest are:

1. All applications must be submitted to the regional board no later than March 31 to be eligible for a construction grant in the forthcoming fiscal year.

^{1/} The State agency is not required by statute to prepare a written list, but simply to certify projects as being of high priority. Most states, including California, as a matter of practice do prepare and submit a list.

2. On or before April 30, the regional boards shall assign priority points for water pollution control needs and forward the applications to the State Board.
3. The State Board, at the June Meeting, shall assign total priority points (based on financial and water pollution control needs) and prepare a statewide priority list.
4. Following the announcement of the priority list, applicants of high priority will be certified for grants as soon as they submit final plans acceptable to the State Board.

The assignment of priority points, as noted above, is the most important element of the State requirements. The regional boards are responsible for assigning water pollution control need points (maximum of 30 points). The State Board assigns financial need points (maximum of 15 points) based on the ratio of project cost plus bonded debt for sewerage facilities to assessed valuation. The State Board also is empowered to change regional board ratings for good cause.

Following the compilation of total points, the State Board prepares the statewide priority rating list. If the sum of requested grants exceeds 200 per cent of the Federal appropriation for California, the rating list is divided into two parts. Projects with the highest cumulative point total are assigned to Part A, and the remainder to Part B.

Once the statewide priority list is announced, applicants will be certified for a grant as soon as they submit final plans acceptable to the State Board on, in effect, a "first-come, first-served basis". That is, a high priority rating does not necessarily insure the award of a grant. Applicants with lower ratings may be certified if they submit acceptable plans in advance of those with higher ratings. In years when the sum of requested grants exceeds 150 per cent of available only Part A applicants are eligible to compete for grants. Part B applicants will not be eligible for certification prior to March 1, and then only if funds are still available.

Regional Water Quality Control Boards: Within ABAG's area of jurisdiction, there are four different regional boards. The vast majority of Bay Area requests are handled by the San Francisco Bay Area Board. 1/ The boards within ABAG's nine county area are:

1/ For the 1967-68 fiscal requests 35 of 42 Bay Area requests were handled by region No. 2.

Region No. 1

North Coastal Region
1239 Fourth Street
P.O. Box 1436
Santa Rosa, California

Covers: Northwest corner of Marin County and Sonoma County
above Cotati.

Region No. 2

San Francisco Bay Region
364 Fourteenth Street
Oakland, California

Covers: All or parts of the nine ABAG counties.

Region No. 3

Central Coastal Region
1180 Garden Street
San Luis Obispo, California

Covers: Southern Santa Clara County south of Morgan Hill.

Region No. 5

Central Valley Region
2414 Sixteenth Street
Sacramento, California

Covers: Northeast corner of Napa County, eastern section of
Solano County, eastern section of Contra Costa, and
northeastern Alameda County on line from Telsa to
Vacaville.

Administrative Process for Grant Applications

Grant applications, as mentioned above, are initially submitted to the appropriate regional water resources control board no later than March 31 for water pollution ranking and then forwarded to the State Board for financial ranking. Once the statewide list has been prepared, formal plans are submitted directly to the State Board. Following State Board approval, they are forwarded to the FWPCA regional office in San Francisco for final approval and funding. The total elapsed time, from initial submission to the notification of grant approval, is normally three to nine months.

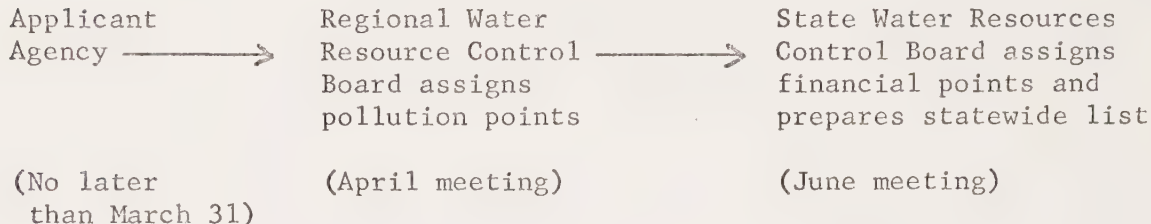
Eligible applicants (those on Part A) whose plans have been certified, but because of insufficient funds are not awarded a grant,

are placed on the top of the priority list for the next fiscal year and are certified for a grant as soon as funds become available. All other applicants (Part A and B) must re-submit applications the following year to become eligible. 1/

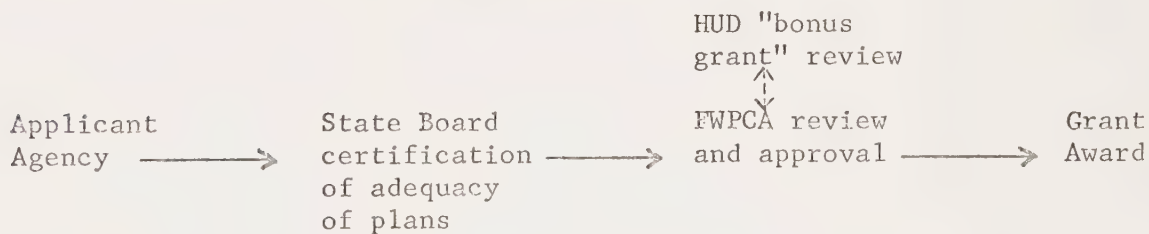
At present, there are no established procedures regarding the point at which ABAG certification is requested. Usually applicants notify ABAG at the time of initial application; occasionally, though, applicants wait until rather late in the review process. If certification has not been received by the time an application reaches the FWPCA regional office, a letter is mailed notifying the applicant that bonus grants are available.

The actual awarding of a bonus grant requires the concurrence of the Department of Housing and Urban Development as to the adequacy of the comprehensive regional plan and project conformance with the plan. This requirement is handled by the FWPCA. Upon receipt of the ABAG letter, it forwards a summary of the application, along with ABAG's comments, to the San Francisco HUD Regional Planning Director for review. The HUD Regional Planning Director, in turn, certifies the adequacy of ABAG's comprehensive plans and issues an advisory opinion on the award of a bonus grant. The actual award is authorized by the FWPCA Regional Director.

Initial Application



Formal Plans



(Total time: Three to nine months)

1/ A 1966 amendment to P.L. 84-660 permits reimbursement grants to be made for projects constructed after July 1, 1966. To be eligible, a project must pass through the same review procedures, even though construction may have been completed.

Budget Information

Total Federal Authorization: The original Act authorized the appropriation of \$50,000,000 per year through fiscal 1961. The basic authorization for fiscal years after 1961 was increased to levels shown below:

Authorization by Fiscal Year

1962	-	\$ 80,000,000	1967	-	\$ 150,000,000
1963	-	90,000,000	1968	-	450,000,000
1964	-	100,000,000	1969	-	700,000,000
1965	-	100,000,000	1970	-	1,000,000,000
1966	-	150,000,000	1971	-	1,250,000,000

At least 50 per cent of the first \$100,000,000 appropriated each fiscal year after July 1, 1965, must be expended for the construction of treatment plants in municipalities of under 125,000 population.

Sums appropriated remain available until expended.

Formula for Allocation to the States: The Secretary of the Interior allocates funds to the States on the basis of population and need, as defined in Section 8 (c), P.L. 84-660 (as amended).

State Financial Participation: There is none at present and little likelihood of any prior to 1972. Recently the State Legislature authorized a five-year study to determine the extent of waste treatment problems and the cost of solving them.

1967-68 Federal Appropriations: The appropriations for fiscal 1967 and 1968 were \$150,000,000 and \$203,000,000 respectively. Of these sums, California was allotted \$9,314,300 and \$13,912,000.

Historical Data and Program Trends

Since the inception of this program, there have been 265 approved projects in California representing a Federal investment of approximately \$48,500,000. Included in these totals, are 63 Bay Area projects, representing slightly more than \$13,500,000 in Federal funds.

Although complete information on the total number of applications processed is not available, it is estimated that no more than 20 to 25 per cent actually received Federal aid. This year 150 applications were received and perhaps 35 will be funded.

During the past year 42 applications were received from Bay Area agencies and it is estimated that future applications will continue at the same pace. This suggests a yearly ABAG workload of 40 to 50 application reviews.

The figures below provide an indication of the increasing Federal interest in solving waste treatment problems:

<u>Fiscal Year</u>	<u>National Appropriation</u>	<u>California Allotment</u>	<u>Bay Area Share</u>
1957-58 <u>1/</u>	\$100,000,000	\$ 4,105,800	\$1,833,804
1959	50,000,000	2,048,725	491,959
1960	50,000,000	2,045,725	411,215
1961	50,000,000	2,048,650	1,033,210
1962	80,000,000	4,271,772	1,454,250
1963	90,000,000	4,886,113	941,530
1964	100,000,000	4,976,200	163,650
1965	100,000,000	4,979,850	1,186,656
1966	130,000,000	7,582,460	4,290,770
1967	150,000,000	9,314,300	2,010,590 <u>2/</u>
1968	203,000,000	13,912,000	-----

Of additional interest to ABAG, are the provisions of P.L. 89-753 that make funds available for research and demonstration projects. There is authorized an annual sum not to exceed \$10,000,000 to finance this program. While the majority of appropriated funds is channeled into university-related research programs, some is reserved for the demonstration of new treatment techniques. The exact number of Bay Area projects is not known; however, both San Francisco and San Jose have received grants. 3/

The administrative process for grant applications is presently undergoing reorganization. In the past, the program has been directly administered by the FWPCA headquarters office in Washington. The regional office was not involved, except to refer applicants to Washington. Normally, the State Water Resources Control Board was asked to comment on proposals; however, this was not done in every case.

It is expected that after the first of the year, the FWPCA San Francisco office will be responsible for the initial processing of demonstration applicants. If this occurs, it is likely that they will request ABAG's comments at the time of submission.

1/ 1957-58 appropriation was for two fiscal years.

2/ Approved projects through January 1967.

3/ Additional information on the research and demonstration program has been requested from FWPCA's Director for Research and Development Programs. However, it is not expected to be available until after January 1, 1968.

Cross-Reference to Other Programs

1. Grants and loans for basic sewer and water facilities can be obtained through the following programs:
 - a. Department of Housing and Urban Development
 - b. Department of Commerce (Economic Development Administration)
 - c. Department of Agriculture (Farmers Home Administration)

For more information see their respective program titles in this manual.

2. Advance acquisition of land assistance is available through the Department of Housing and Urban Development. See the program description in this manual for further information.

Sources

1. P.L. 84-660
2. P.L. 89-753
3. California Administrative Code, Title 23, Chapter 3.
4. Miscellaneous FWPCA brochures.

ABAG Review Requirements (Proposed)

At present, the timing of ABAG's regional review varies from one project to the next. Neither the State Water Resources Control Board nor the FWPCA has established any definitive requirements as to when the ABAG review should be performed. It is recommended that ABAG request the State Board to include in its requirements a review by ABAG prior to Regional Board consideration. Preferably, applications should be submitted to ABAG no later than January 1, to allow a maximum review period prior to the State's March 31 deadline.

In addition to reviewing applications for their conformity with the comprehensive regional plan, ABAG should encourage the development of joint facilities. Also, it should alert members to the availability of demonstration grants and encourage them to submit applications.

IV. HEALTH FACILITIES

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Note: Comprehensive Health Planning is listed
under II PLANNING ASSISTANCE.

CATEGORY: HEALTH FACILITIES -- HOSPITAL CONSTRUCTION

Program: Construction and Modernization of Hospitals and other Medical Facilities.

Common Name of Program: Hill-Burton Hospital and Health Facilities Program.

Authorizing Legislation: Hospital and Medical Facilities Amendments of 1964, P.L. 88-443. [Title 42 USC 291-291j and 291o]

Eligible Recipients: States
Special districts
Local general governments
Public and private non-profit organizations

Program Aid: Project grants

Responsible Federal Agency: Public Health Service
Department of Health, Education, and Welfare

Program Description and Objectives

This program makes financial assistance available to the States to aid in the development of better hospitals and other health facilities. Assistance can be obtained for the construction of new facilities; the alteration, renovation, or remodeling of existing facilities; and the initial equipping of such facilities. In addition, assistance may be obtained for related programs of research, experimentation, or demonstration.

The primary responsibility for the administration of the Hill-Burton program lies with the States. Each State desiring to participate must designate a single State agency as the sole administrator of the program. (In California this is the Department of Public Health.) The designated agency is required to make an annual inventory of existing hospitals, including public, non-profit, and proprietary hospitals, and to survey the need for additional facilities. The designated agency on the basis of its annual survey and inventory, is to develop a program (State plan) for the construction of such public and non-profit hospitals as may be needed to provide the necessary physical facilities for adequate hospital, clinic, and similar services.

The State plan, following its approval by the Public Health Service, becomes the framework for the distribution of financial

assistance. Priority consideration is given to areas identified as being the most seriously deficient in hospital and related services. The State agency is responsible for the initial approval of applications; the Public Health Service makes the final approval and financial award.

The Federal share of project costs may range from 1/3 to 2/3 depending on State regulations. In California, Section 435.6 of the Health and Safety Code limits the Federal share to 1/3 of the project cost. The State, in turn, contributes 1/3 and the applicant agency the remaining 1/3. A 1958 amendment of the Hill-Burton Act permits eligible applicants the option to take a long-term low interest loan in lieu of a grant if they so desire. Requirements are identical for both loans and grants, and no additional funds are available for loan purposes.

Eligible Recipient Agencies and-Kinds of Projects

States, local governmental agencies, and public or private non-profit organizations are eligible for grants. In California the Department of Public Health, as noted above, is charged with the responsibility of determining which applicants will be recommended to the Public Health Service for financial assistance.

In general, projects for the construction, expansion, alteration, renovation, or remodeling of the following type structures are eligible for a grant: 1/

1. General Hospitals
2. Long-term Care Facilities
3. Tuberculosis Centers
4. Public Health Centers
5. Vocational Rehabilitation Centers
6. Diagnostic and Treatment Centers
7. Psychiatric Short-term Hospitals
8. Psychiatric Long-term Facilities
9. Mental Health and Retardation Centers

In addition to the above, local and regional health facilities planning organizations are eligible to apply for planning grants.

1/ Financial assistance is also available through three separately funded retardation and vocational rehabilitation centers. See their respective program summaries for details.

Federal Requirements

Of State Governments: For a State to be eligible it must have an approved State plan. The State plan must be drawn up and submitted to the Public Health Service for approval prior to June 30, to qualify for Federal funds in the forthcoming fiscal year. The key elements to be included in the State plan are:

1. Designation of a single State agency as the sole administrator of the program.
2. Satisfactory evidence that the designated State agency has the authority to carry out the plan.
3. Provision for the appointment of an Advisory Hospital and Health Facilities Council to make policy recommendations to the designated State agency. The Council is to be comprised of representatives from non-governmental organizations and medically-oriented public agencies. In addition, there are to be at least an equal number of members representing the general public.
4. A statewide inventory of existing health facilities, a survey of needs, and the community, area, or regional plans developed to meet such needs. The statewide survey must include:
 - a. The number of general hospital and long-term care beds existing and needed;
 - b. The number of public health centers existing and needed;
 - c. The number of diagnostic or treatment centers existing and needed;
 - d. The number of rehabilitation centers existing and needed;
 - e. A plan for the distribution of such facilities throughout the State; and
 - f. A construction and modernization program for the above.
5. Satisfactory evidence that there exist minimum support standards for the operation and maintenance of facilities receiving assistance under this program.

6. Provision for affording every applicant an opportunity to appear before the designated agency.
7. Provision that the designated State agency will, at least annually, review the State plan and submit modifications to the Public Health Service for approval.

Of Regional or Area Planning and Programming Agencies: The Federal legislation pertaining to the Hill-Burton program makes no reference to regional planning bodies other than the provision that the State plan contain recognition of their activities. In California, however, regional health facilities planning agencies have come to play a major role in the operation of the program -- their role is discussed later under "Special Regional Requirements."

Although the Hill-Burton legislation does not spell out regional involvement, the provisions of Section 204 of P.L. 89-754 are applicable.

Of Applicant Agencies: The technical requirements for the plans submitted by applicant agencies are contained in "Public Health Service Regulations -- Part 53 . . . pertaining to the construction and modernization of hospital and medical facilities." (F.R. Doc 64-13154) In addition, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

The California Health and Safety Code serves as the counterpart of Federal legislation for the Hill-Burton program. The Hospital Survey and Construction Act (Sections 430 through 435 of the Code) details the State requirements for preparation and administration of the State plan. The salient parts of this legislation are:

1. The State Department of Public Health is designated as the sole agency for the preparation and administration of an annual State plan for hospital and other health facility construction. The annual State plan is to include an inventory of existing facilities and a survey of the need for additional facilities.
2. The Department is authorized to make such regulations as it may deem necessary for carrying its responsibilities. The Department is further authorized to establish such methods of administration as may be necessary to meet the Federal requirements of this program.

3. The Governor is authorized to appoint, on the consent of the State Senate, an Advisory Hospital Council to advise and assist the Department in the preparation of the State plan. The Council is to consist of the Director of the Department of Public Health, who serves as chairman ex-officio, and
 - a. The State Director of Mental Hygiene;
 - b. A representative of general hospitals;
 - c. A representative of long-term care facilities;
 - d. A representative of mental health facilities;
 - e. A licensed physician-surgeon; and
 - f. Seven representatives of the general public.
4. The Department and the Council are authorized to establish such relationships as they deem appropriate with regional and local health planning associations for advice and assistance in the preparation of the State plan.

The Department of Public Health, the Advisory Hospital Council, and the various regional health facilities planning associations all play a role in the administration of the program. The Department, while retaining full responsibility for the contents of the State plan, relies heavily on the Council and regional planning bodies for policy suggestions and project recommendations. The Council holds public hearings at the outset of each calendar year on what specific policies -- for example the boundaries of various "service areas" -- should be included in the State plan for the forthcoming fiscal year. The Council also recommends to the Department, on the advice of the regional planning bodies, which projects should be forwarded to the Public Health Service for funding.

The State plan, as such, does not contain a list of applications to be funded. It does, however, contain a priority list of the "service areas" that are seriously deficient in hospital facilities. That is, the annual inventory of existing facilities shows what percentage of a service area's needs are not presently being met. Decisions on which applications will be funded are made on the basis of the relative needs of the various service areas throughout the State. In the case of multiple applications from a single service area, the recommendations of the regional health facilities planning association are used as the criteria for making a selection.

Special Regional Requirements

The Bay Area Health Facilities Planning Association (HFP) was organized in 1963 to provide a mechanism by which local and regional organizations, representing both health interests and the general public, could have a voice in the development of the annual State plan. By its agreements with the Department of Public Health and the Advisory Hospital Council, HFP has become an important force for providing adequate health facilities in the fifteen "service areas" included in the nine-county Bay Area. HFP's major function is to evaluate and recommend a priority ranking of multiple applications within a single hospital service area. The evaluation and recommendations for each project are based on:

- a. Geographic area to be served;
- b. Comprehensiveness of the services to be offered;
- c. Size of the proposed facility and its expected utilization;
- d. Educational nature of the facility; and
- e. The relationship of the proposed facility to other facilities in the area.

The importance of HFP's review of applications is seen in the following statements in the 1967-68 State plan:

"The Advisory Hospital Council will consider recommendations of regional health facilities planning agencies regarding applications under consideration and the Advisory Hospital Council recognize a responsibility to discuss in public meetings reasons for its action in cases where the recommendations of the regional health facilities planning agencies are not accepted."

"The Department shall transmit a copy of the application to the designated voluntary regional planning agency and shall provide at least 60 days for evaluation and recommendation by the regional agency."

Administrative Process for Grant Applications

The administrative process for grant applications begins with the preparation of the annual State plan and culminates in the awarding of grants. The total processing time is twelve to eighteen months. The principal steps are:

- January/February: Advisory Hospital Council holds its annual public hearings (alternately in Los Angeles and San Francisco) to receive suggestions for the policies and service area boundaries to be included in the forthcoming State plan.
- March/April: Advisory Hospital Council makes specific policy recommendations to the Department of Public Health. The Department, in turn, carries out its annual inventory of existing facilities and survey of need for additional facilities.
- May/June: State plan submitted to the Public Health Service regional office in San Francisco for approval. PHS review of State plan takes 2-3 months.
- July 30: Deadline for the submission of applications to the Department of Public Health. The Department, in turn, sends a copy of the proposal to the appropriate regional health facilities planning association for review and comments.
- December/January: Advisory Hospital Council meets to make recommendations to the Department of Public Health on which applications should be forwarded to the Public Health Service for funding.
- March/April: Public Health Service, following its review of the applications, notifies the Department of Public Health of its decisions.

This timetable requires applicants to submit proposals prior to the approval of the State plan. This requirement, while it obligates agencies to apply "blindly," acts as a stimulant in the development of master plans for each facility. That is, it requires applicants to submit plans for needed facilities prior to knowing what type of assistance is available. The procedure also allows the Department of Public Health wide latitude in the selection of projects for financial assistance.

Applications are valid only for one year. There is no carry-over of proposals from one State plan to the next. A proposal not previously funded may be resubmitted the following year. No regulations exist limiting the number of applications that may be submitted.

Budget Information

Total Federal Authorization: There is authorized to be appropriated:

1. For the fiscal years 1967-68 and 1968-69:
 - a. "\$70,000,000 for grants for the construction of public or other non-profit facilities for long-term care;
 - b. \$20,000,000 for grants for the construction of public or other non-profit diagnostic or treatment centers; and
 - c. \$10,000 for grants for the construction of public or non-profit rehabilitation facilities."
2. For the fiscal years 1967-68 and 1968-69, \$180,000,000 for the construction of public or non-profit general hospitals and other health facilities not mentioned above.

Formula for Allocation to the States: Each State is entitled to an:

"Allotment bearing the same ratio to the sums appropriated . . . as the product of:

- a. The population of such state, and
- b. The square of its allotment percentage,

bears to the sum of the corresponding products for all of the states."

"The 'allotment percentage' for any state shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of the United States, except that . . . [it] in no case shall be more than 75 per centum or less than $33 \frac{1}{3}$ per centum . . ."

States are permitted to transfer their allotments, with the approval of the Secretary of Health, Education and Welfare, from one construction category to another. Sums allotted to a State are available for two fiscal years.

State Financial Participation: California matches the Federal funds allotted.

1967-68 Appropriations: No appropriations had been made for the 1967-68 fiscal year as of November 3, 1967. It is expected that the total combined Federal-State funds available in California will be approximately \$45,000,000. (California has averaged roughly \$40,000,000 per year during the last few years.)

Historical Data and Program Trends

The Hill-Burton program has had a long and successful history of operation dating back to the original Act of 1946. The program was originally restricted to assisting general hospital and public health center construction. In 1954 the program was broadened to include nursing homes, diagnostic and treatment centers, and rehabilitation facilities. The 1964 legislation added authorization for modernization assistance and made grants available for areawide and regional health facilities planning.

Since its inception in 1947, the program has aided the construction of over 350 California hospitals and other health facilities representing a cost of over \$500,000,000. The Federal share of these projects has been more than \$125,000,000. These figures, impressive as they are, account for only a small portion of the total hospital construction that has taken place in California. It is estimated that the construction assisted by Hill-Burton funds has never exceeded 30% of a year's activity. During fiscal 1968, Hill-Burton funds are expected to account for about 18% of new construction.

The Department of Public Health processes approximately 125 applications each year. These represent roughly ten times the amount of available funds. Of the applications processed each year, 25-30 will come from the Bay Area. For the 1967-68 State plan, 28 applications were received from Bay Area organizations, of which no more than four or five (\$15,000,000 worth) are likely to be funded. Thus, barring a drastic change in congressional attitude towards the Hill-Burton program, ABAG could expect to have this number of proposals before it each fall.

The loan provisions of this program have not been used by any agency in the Bay Area. It was originally included in the legislation to allow various religious groups, that could not accept grants, to receive loans. The amendment has acquired the unofficial title of the "Southern Baptist Loan Program."

The Bay Area Health Facilities Planning Association has the only Bay Area planning grant. This year's grant is for \$74,000 on a matching basis. There is no State money for planning grants, the costs being equally shared by the applicant and the Federal Government.

Cross-Reference to Other Programs:

1. For information on separate mental health, mental retardation, and vocational rehabilitation programs, see their respective program summaries.
2. For information on Federal assistance available for areawide health planning (including hospitals), see the comprehensive areawide health planning summary in this manual under the general heading "Planning Assistance."

Sources

1. P.L. 88-443
2. Sections 430 to 435 of the California Health and Safety Code.
3. California State Hospital Plan (1966-67).
4. State Advisory Hospital Council, Agenda, May 24-24, 1967.
5. Public Health Service: Approved Project Directory (July, 1966).
6. Miscellaneous Public Health Service publications.

ABAG Review Requirements (Proposed)

The administration of the Hill-Burton program in California presently is being carried out jointly by the U.S. Public Health Service and the State Department of Public Health, with the Advisory Hospital Council and various regional health facilities planning associations assisting the Department. The present system for developing a State plan and reviewing project applications appears, on the basis of the present examination, to be functioning satisfactorily. There are as yet no established procedures, either here or elsewhere in the county, regarding the type of review which ABAG or similar regional planning agencies are to perform on Hill-Burton applications.

Concern is expressed by the agencies involved at the prospect of ABAG becoming a part of the review process. These attitudes appear to stem from doubts as to what ABAG has to offer to the program. Their questioning the need for an ABAG review centers around the fact that these agencies presently have well-trained professional staffs expert in all aspects of hospital administration and health care, and that the likelihood or desirability of ABAG's matching this competence is in doubt. In this context, it is evident that if ABAG review is to be accepted, ABAG must present evidence that it is prepared to perform a meaningful review.

The crucial question to be answered, therefore, is at what point in the review should ABAG become involved and what type of involvement should this be? Presently two types of reviews are performed of all Bay Area applications. The Department of Public Health reviews in detail the technical plans for assurance that all Federal and State regulations pertaining to hospital facilities are met. The Bay Area Health Facilities Planning Association reviews the program of the proposed facility. This review takes the form of evaluating the services to be offered, population to be served, educational nature of the facility, and the possibilities for coordination with other facilities in the area. The Public Health Service performs secondary reviews of both types. If ABAG were to attempt to duplicate these reviews it would require a substantial increase in its staff. This, in addition to the fact that reviews are presently being adequately handled, makes such a course of action unreasonable.

The logical position for ABAG's involvement in the review process would appear to be in the area of "land use." The desirability of the proposed facility's location, as regards future comprehensive plans for the area, is presently not now considered

in the review process. Little attempt is made to determine the relationship of the proposed facility to, for example, future transportation systems or area development plans. The present system takes into consideration population estimates and the existing transportation patterns, but does not consider the future relationships contained in the areawide comprehensive plan. It would seem obvious that an ABAG review which evaluated a proposal in terms of its relationship to future regional development would be of value.

To effect the recommendation described above, it is suggested that ABAG develop a close working relationship with the Department of Public Health and the Bay Area Health Facilities Planning Association (HFP). HFP, which already has been designated by the Advisory Hospital Council as the regional health facilities planning association for the Bay Area, has requested ABAG recognition as the reviewing authority for hospital facilities under P.L. 89-754. It is recommended that ABAG seek an understanding with HFP as to the respective areas of interest of each in the review of these projects -- there need not be conflict or duplication of effort.

There are two other elements of this program, not concerned with formal application review, that are of interest to ABAG. These are the boundaries of service areas, and the future plans of Bay Area health facilities. The boundaries of service areas are presently established by the Advisory Hospital Council at its annual January meeting. The boundaries are of critical importance for they, in effect, pre-determine priority ratings. It is recommended that ABAG request from the Advisory Hospital Council a list of all proposed changes in Bay Area boundaries prior to Council consideration. ABAG would then assign a staff member to review the proposed modifications and comment, either by letter or in person at the Council's public hearing, on the desirability of the changes.

It is also recommended that ABAG request, from the State Department of Public Health, notification of any Bay Area health facility proposal for expansion or alteration of its physical plant. The Department, by law, must review and license all such proposals and, as a matter of practice, assist in their planning. At the time of notification, ABAG staff would meet with the hospital's staff and review "land-use" implications for possible conflict with comprehensive regional plans.

It should be noted that these recommendations are intended for a short duration only. When and if comprehensive areawide

health planning agency (under P.L. 89-749) has been designated, possibly under ABAG's sponsorship, these responsibilities could be handled by that agency with ABAG receiving periodic reports.

Note: In the program summaries for the three construction programs administered by the Department of Public Health, the date June 30 is given as a deadline for preparation of the State plan. In actual practice the complete State plan is not submitted to the Public Health Service until late summer or early fall. The June 30 date, then, is a formal requirement only and informal agreements between the Department and the Public Health Service have modified it to permit the State additional time to complete the plan.

CATEGORY: HEALTH FACILITIES -- MENTAL RETARDATION

Program: Construction of Community Mental Retardation Facilities

Common Name of Program: Mental Retardation Facilities Program

Authorizing Legislation: Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (Title I); P.L. 88-164. [Title 42 USC 2671-2677, 2691-2697]

Eligible Recipients: States
Local General Governments.
Public or Private Non-profit Agencies..

Program Aid: Project grants.

Responsible Federal Agency: Social Rehabilitation Service
Public Health Service
Department of Health, Education, and Welfare

Program Description and Objectives

This legislation makes financial assistance available to States and other qualified applicants to aid in the development of better facilities for the mentally retarded. There are three separate types of aid programs covered in Title I; a description of each follows:

Title I (Part B): Project Grants for Construction of University-Affiliated Facilities for the Mentally Retarded

The section authorizes the Secretary of Health, Education and Welfare to make grants to university-affiliated non-profit agencies for clinical facilities. Qualified applicants can apply directly to the Public Health Service for construction grants. Such grants shall not exceed 75 per cent of project costs.

Title I (Part C): Grants for the Construction of Facilities for the Mentally Retarded

This section authorizes the Secretary of Health, Education, and Welfare to make grants to qualified public and private non-profit agencies for community mental

retardation centers. Applicants apply directly to the single State agency responsible for development of a statewide plan for mental retardation facilities.

Title I (Part D): Centers for Research on Mental Retardation and Related Aspects of Human Development

This section authorizes the Surgeon General to make project grants for the construction of research facilities. Qualified applicants can apply directly to the Surgeon General for grants. Such grants shall not exceed 75 per cent of construction costs.

Of the above, only Part C -- Grants for the Construction of Facilities for the Mentally Retarded -- falls within the scope of ABAG's regional review responsibilities. The remainder of this summary is devoted to it.

Federal and State requirements for participation in this program are, for all practical purposes, identical to those for participation in the Hill-Burton Hospital Construction Program and the Community Mental Health Centers Program. Each State desiring to participate in the Mental Retardation Facilities Program must designate a single State agency as the sole administrator of the program. (In California this is the State Department of Public Health.) The designated State agency is required to make an annual inventory of existing mental retardation facilities and to survey the need for additional facilities. The designated agency, on the basis of its annual inventory and survey, is to develop a program (State plan) for the construction of such public and non-profit mental retardation centers as may be needed, in conjunction with existing facilities, to provide the necessary level of services.

The State plan, following its approval by the Public Health Service, becomes the framework for the distribution of financial assistance. Priority consideration is given to those areas identified in the State plan as being the most seriously deficient in mental retardation facilities. The State agency is responsible for the initial approval of applications for financial assistance. The Public Health Service makes the final approval and financial award.

The Federal share of project costs may range from one-third to two-thirds depending on State regulations. In California, Section 435.6 of the Health and Safety Code limits the Federal

share to one-third of the project cost. The State, in turn, contributes one-third and the applicant the remainder. Eligible applicants, under the same provisions as the Hill-Burton program, have the option of taking a long-term low interest loan in lieu of a grant. Requirements are identical for both loans and grants, and no additional funds are available for loan purposes.

In addition to construction funds available through the Mental Retardation Facilities Program, there are also funds available through the Hill-Burton program. Administrative regulations established by the State Department of Public Health provide that when funds for the Mental Retardation Facilities Program are exhausted, Hill-Burton funds may be allocated, but only for diagnostic, evaluation, and treatment facilities.

Eligible Agencies and Kinds of Projects

States, local governmental agencies, and public or private non-profit organizations are eligible for grants. In California the Department of Public Health determines which applications will be recommended to the Public Health Service for financial assistance.

Projects can cover a wide range of services for the mentally retarded, but generally fall into one of three broad categories:

1. Diagnostic and Evaluation Centers: These are facilities designed to provide for the diagnosis of persons suspected to be mentally retarded. Such a diagnosis includes the determination of an individual's potentialities and limitations, the development of a program to maximize his potentials, and provisions for an annual evaluation of his progress.
2. Residential Care Facilities: These are facilities designed to provide rehabilitative and training services to the mentally retarded for extended periods of time. Such services normally include:
 - a. Diagnosis and evaluation
 - b. Treatment services
 - c. Educational programs
 - d. Training services
 - e. Therapeutic treatment

f. Sheltered workshop services

g. Medical and nursing programs

3. Day Care Facilities: These are facilities designed to provide a broad range of services, but not overnight care.

Federal Requirements

Of State Governments: The Federal requirements are, for all practical purposes, identical to those for the Hill-Burton program. To be eligible, a State must designate a single agency as the sole administrator of the program and create an advisory council to advise the agency. In California these responsibilities are assigned to the State Department of Public Health and the Advisory Hospital Council. (See the Hill-Burton summary in this manual for detail on Federal requirements.)

Of Regional or Area Planning and Programming Agencies: The Federal legislation makes no reference to the involvement of regional planning bodies other than the provision that the State plan must contain a recognition of their activities. In California, however, regional health facilities planning boards have come to play a major role in the operation of the program -- their involvement is discussed later under "State Requirements." The provisions of Section 204 of P.L. 89-754 are applicable.

Of Applicant Agencies: In addition to meeting the technical requirements established by the Public Health Service, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

The California Health and Safety Code serves as the counterpart of Federal legislation for the Mental Retardation Facilities Program. This legislation spells out the State requirements regarding the preparation and administration of the State plan. In brief, the Code designates the Department of Public Health and the Advisory Hospital Council to administer the program and authorizes them to establish such rules and regulations as may be required to implement the program. (See this manual's chapter on the Hill-Burton program.)

The Department of Public Health, the Department of Mental Hygiene, the Advisory Hospital Council, and the various

regional health facilities planning associations all play a role in the administration of this program. The Department of Public Health, while retaining full responsibility for the content of the State plan, relies heavily on the Council, the Department of Mental Hygiene, and the regional planning bodies for policy suggestions and project recommendations.

As already noted, the administrative regulations governing this program are similar to those for the Hill-Burton program. A summary of the more important regulations, applicable only to the Mental Retardation Facilities Program, follows:

1. A proposed facility, to be eligible for assistance, must provide at least two of the following services:
 - a. Diagnosis and evaluation
 - b. Treatment
 - c. Education
 - d. Training
 - e. Day care or residential care
 - f. Workshop facilities
2. Facilities providing diagnostic, medical evaluation, or treatment must be part of or affiliated with one or more general hospitals.
3. Projects sponsored by school districts which propose to provide special education services for the general school population, including the mentally retarded, are not eligible.
4. In addition to other reviews, all proposals must be submitted to the State Department of Mental Hygiene for its review and comments.

The State plan, as such, does not contain a list of applications to be funded. It does, however, contain a list of the "service areas" that are seriously deficient in mental retardation facilities. That is, the annual inventory of existing facilities shows what percentage of a service area's needs are not being met. Decisions on which applications will be funded are made on the basis of the relative needs of the various service areas throughout the State. In the case of multiple applications

from a single service area, the recommendations of the regional health facilities planning association are used as the criteria for deciding.

The Bay Area Health Facilities Planning Association (HFP) is the regional planning body for the Bay Area. By virtue of its agreements with the Department of Public Health and the Advisory Hospital Council, HFP has been recognized as an important force for providing adequate mental retardation facilities. Administrative regulations have been established requiring the Department of Public Health to provide HFP with copies of all proposals from the eight Bay Area service areas. HFP has sixty days in which to review and comment on an application.

Administrative Process for Grant Application

The administrative process for grant applications begins with the preparation of the annual State plan and culminates in the award of grants. With the exception of the review by the Department of Mental Hygiene, it is identical to the administrative process for Hill-Burton applications. The total elapsed processing time is twelve to eighteen months. The principal steps are:

- | | |
|-------------------|--|
| January/February: | Advisory Hospital Council holds its annual public hearings (alternately in Los Angeles and San Francisco) to receive suggestions for the policies and service area boundaries to be included in the forthcoming State plan. |
| March/April: | Advisory Hospital Council makes specific policy recommendations to the Department of Public Health. The Department, in turn, carries out its annual inventory of existing facilities and survey of need for additional facilities. |
| May/June: | State plan submitted to the Public Health Service regional office in San Francisco for approval. PHS review of State plan takes two to three months. |
| July 30: | Deadline for the submission of applications to the Department of Public Health. The Department, in turn, sends copies of the proposal to the Department of Mental Hygiene and the appropriate regional health facilities planning association for review and comments. |

December/January: Advisory Hospital Council meets to make recommendations to the Department of Public Health on which applications should be forwarded to the Public Health Service for funding.

March/April: Public Health Service, following its review of the applications, notifies the Department of Public Health of its decisions.

Budget Information:

Total Federal Authorization: P.L. 88-164 authorized the following amounts to be appropriated for the implementation of this program:

Fiscal year 1965 --	\$10,000,000
Fiscal year 1966 --	12,500,000
Fiscal year 1967 --	15,000,000
Fiscal year 1968 --	30,000,000

Additional authorizations have not as yet been passed by Congress, however, H.R. 6430 contains the following authorizations:

Fiscal year 1969 --	\$30,000,000
Fiscal year 1970 --	50,000,000

Formula for Allocation to the States: Funds are allotted to the States on the basis of population, need for mental retardation facilities, and the financial need. Allotments can be spent over a two-year period.

State Financial Participation: California matches the funds allotted to the State.

1967-68 Appropriations: The national allocation for fiscal 1967 was \$15,000,000. The fiscal 1968 allocation has not as yet been made; however, it is expected to be \$18,000,000. Of this, \$1,500,000 would be California's share. The total available for project assistance would be \$3,000,000 (combined Federal and State).

Historical Data and Program Trends

Since the inception of this program, there have been ten California approved projects representing more than \$4,000,000 in combined Federal-State funds. The Bay Area's share is shown:

<u>Project</u>	<u>Federal- State Share</u>	<u>Total Project Cost</u>
Las Trampas School (Lafayette)	\$462,098	\$796,206
Mental Retardation Center (Santa Clara County)	718,362	2,618,521
Community Associations for the Mentally Retarded (Palo Alto)	110,547	346,641

There are two applications pending from Bay Area agencies for fiscal 1968 assistance and it is estimated that perhaps one of these will be funded. It seems unlikely that ABAG will be called upon to review more than two or three proposals a year; although, the possibility of additional appropriations in future years may revise this figure upward.

Cross-Reference to Other Programs

1. For information on the Hill-Burton Hospital Construction Program, see the summary of that program in this manual.
2. For information on the Community Mental Health Center Construction Program, see that program summary in this manual.
3. For information on Federal assistance available for areawide health planning (including the mental retardation component), see the comprehensive area-wide health planning summary in this manual under the general heading "Planning Assistance."

Sources:

1. P.L. 88-164
2. Mental Retardation Amendments of 1967; H.R. 6430 dated August 17, 1967 (No. 78-499 0-67-1)
3. Mental Retardation Report No. 67-10, dated August 7, 1967 (GPO 927-538)
4. Mental Retardation Report No. 67-3, dated February 10, 1967 (GPO 918-798)
5. State Advisory Hospital Council, Agenda, May 24-5, 1967

ABAG Review Requirements (Proposed)

See Hill-Burton program.

CATEGORY: HEALTH FACILITIES -- MENTAL HEALTH

<u>Program:</u>	Construction and staffing of Community Health Centers
<u>Common Name of Program:</u>	Community Mental Health Centers
<u>Authorizing Legislation:</u>	Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (Title II), P.L. 88-164, amended by P.L. 89-105 and P.L. 90-31. [Title 42 USC 2671-2677, 2691-2697]
<u>Eligible Recipients:</u>	States Local General Governments Public and Private Non-profit Agencies
<u>Program Aid:</u>	Project Grants
<u>Responsible Federal Agency:</u>	National Institute of Mental Health Public Health Service Department of Health, Education, and Welfare

Program Description and Objectives

This program makes financial assistance available to States and, through them, to qualified local applicants for the construction of Community Mental Health Centers. A 1965 amendment to the Act (P.L. 89-105), authorizes the Secretary of Health, Education, and Welfare to make grants for the initial staffing of community mental health facilities (whether or not their construction was aided through this program). Staffing grants are available on a sliding scale for the first 51 months of operation.

Federal and State requirements for participation in this program are, for all practical purposes, identical to those for participation in the Hill-Burton Hospital Construction Program and the Mental Retardation Facilities Program. Each State desiring to participate in the Community Mental Health Centers program must designate a single State agency as the sole administrator of the program. (In California this is the Department of Public Health.) The designated State agency is required to make an annual inventory

of existing mental health facilities and to survey the need for additional facilities. The designated State agency on the basis of its annual inventory and survey is to develop a program (State plan) for the construction of such public and non-profit mental health centers as may be needed.

The State plan, following its approval by the Public Health Service, becomes the framework for the distribution of financial assistance. Priority consideration is given to those areas identified in the State plan as being the most seriously deficient in mental health facilities. The State agency is responsible for the initial approval of applications and the Public Health Service makes the final approval and financial award.

The Federal share of project costs may range from one-third to two-thirds depending on State regulations. In California, Section 435.6 of the Health and Safety Code limits the Federal share to one-third of the project cost. The State, in turn, contributes one-third and the applicant the remainder. Eligible applicants, under the same provisions as the Hill-Burton program, have the option of taking a long-term low-interest loan in lieu of a grant. Requirements are identical for both loans and grants, and no additional funds are available for loan purposes.

Administrative regulations established by the State Department of Public Health provide that when funds for the Community Mental Health Centers program are exhausted, Hill-Burton funds may be allocated for this purpose.

Eligible Agencies and Kinds of Projects

States, local general governments, and public or private non-profit organizations are eligible for grants. In California, the Department of Public Health determines which applications will be recommended to the Public Health Service for financial assistance.

Projects must be designed to offer a wide range of mental health services to the general public. The proposed Community Mental Health Center, either alone or in conjunction with existing facilities, must provide at least inpatient, partial hospitalization, outpatient, 24-hour emergency, and consultation and education services. The program of the center may also include diagnostic, rehabilitation, pre-care and after-care, training, and research and evaluation services.

1. Inpatient Services: A unit to provide 24-hour care for treatment of acute episodes, including those of patients previously released from mental hospitals and experiencing a recurrence of acute symptoms.
2. Outpatient Services: All forms of outpatient mental health treatment must be provided, including programs to assist former mental hospital patients in returning to community life through activity therapy, family and job counseling and drug therapy.
3. Partial Hospitalization Services: Space and facilities for treatment during the day of patients able to return to their homes and families in the evenings and weekends; as well as space and facilities for treatments and overnight accommodations for patients able to work but needing further care or having an unsuitable home situation.
4. Emergency Services: 24 hour a day emergency services so that discharged or released patients can return at any time.
5. Consultation and Education Services: The availability of mental health personnel to provide consultative and diagnostic assistance to private and practitioners and to community agencies such as schools, courts, and welfare departments, and to offer public education.
6. Diagnostic Services (optional): Facilities for testing mentally retarded and emotionally disturbed and the periodic evaluation of former patients.
7. Rehabilitation Services (optional): Facilities for vocational and educational training of patients.
8. Pre-Care and After-Care (optional): A variety of services including foster home placements, visiting programs, and halfway houses.
9. Training Program (optional): A program for training interested community residents (i.e. clergy, probation officers, physicians, teachers, etc.).
10. Research and Evaluation (optional): Facilities for researching the causes of mental illness and to evaluate new treatment techniques.

Federal Requirements

Of State Governments: The Federal requirements made of the States for participation in this program are, with one major exception, nearly identical to those for inclusion in the Hill-Burton and the Mental Retardation Facilities Programs. The one exception concerns the size of mental health planning areas included in the State plan. Public Health Service regulations have been established to restrict the size of service or "catchment" areas to a minimum of 75,000 and a maximum of 200,000. ^{1/} In unusual situations the Surgeon General is authorized to waive these population limits.

Of Regional or Area Planning and Programming Agencies: The legislation makes no reference to regional planning bodies other than a provision that the State plan must contain a recognition of their activities. In California, however, regional health facilities planning boards have come to play a major role in the operation of the program (discussed later under "State Requirements").

In addition to the above, the provisions of Section 204 of P.L. 89-754 are applicable.

Of Applicant Agencies: The technical requirements pertaining to the plans submitted by applicant agencies are contained in "Public Health Service Regulations -- Part 54 -- Grants for Construction of Community Mental Health Centers" (GPO: 1965 0-767-465). In addition, the provisions of Section 204 of P.L. 89-754 apply.

State Requirements

The California Health and Safety Code serves as the counterpart of Federal legislation for the Community Mental Health program. This legislation details the State requirements regarding the preparation and administration of the State plan. In brief, the Code designates the Department of Public Health and the Advisory Hospital Council to administer the program and authorizes them to establish rules and regulations to implement the program. (For a more detailed explanation of California's statutory requirements see this manual's section on the Hill-Burton program.)

^{1/} A catchment area is "one or more communities or neighborhoods served or to be served by an existing or proposed community mental center delineated on the basis of population distribution, natural geographic boundaries and transportation routes."

The Department of Public Health, the Department of Mental Hygiene, the Advisory Hospital Council, the various regional health facilities planning associations, and the local mental health districts all play important roles in the administration of the program. The Department of Public Health, while retaining full responsibility for the content of the State plan, relies heavily on the other agencies for policy suggestions and project recommendations.

In general, the administrative regulations that govern this program are similar to those for the Hill-Burton program. A summary of the more important regulations, applicable only to the Community Mental Health Centers Program follows:

1. The Department of Public Health shall conduct its annual inventory and survey on December 31 of each year. The inventory of mental health facilities and services, other than general hospitals, shall be based on information obtained from the State Department of Mental Hygiene.
2. The proposed Community Mental Health Center shall demonstrate that existing mental health services in the area have been taken into consideration and that the coordinated plan is consistent with the Community Mental Health Services Program (Short-Doyle).
3. The proposed Community Mental Health Center shall wherever practical be part of, or affiliated with, one or more general hospitals.
4. Upon inquiry or request for information or application:
 - a. The Department of Public Health will notify the appropriate Regional Mental Health Administrator and the Deputy Director, Department of Mental Hygiene, Community Mental Health Services;
 - b. The State Department of Mental Hygiene Regional Mental Health Administrator will inform the appropriate local Mental Health (Short-Doyle) Director; and
 - c. A conference will be arranged which the applicant agency and the Regional Mental Health Administrator will be invited to attend. The Regional Mental Health Administrator may invite additional consultation as desired, including the Short-Doyle Director of the county in which the proposed project is located.

5. When a formal application is received by the Department of Public Health, a copy will be forwarded to the Deputy Director, Community Mental Health Services, Department of Mental Hygiene, for his review and comment.

The Short-Doyle program, referred to in the above regulations, is the name commonly given to the California "Community Mental Health Services" program. This legislation, ^{1/} enacted in 1957, makes financial assistance available to local areas to improve the quality and quantity of mental health services available to the general public and provides funds on a matching basis (75 per cent State -- 25 per cent local) to local mental health districts (i.e., cities, counties, or special districts) to reimburse them for the cost of providing psychiatric services. These services can be included in the programming of a general public hospital or, by contract, a private hospital. Funds may also be used to help finance the operation of a Community Mental Health Center. The Short-Doyle Act does not provide funds for construction.

Administrative Process for Grant Applications

The administrative process for grant applications begins with the preparation of the annual State plan and culminates in the award of grants. An outline of the various steps involved in the process appears below. It does not include the preliminary conference held between representatives of the applicant agency, the Departments of Public Health and Mental Hygiene, and the county Short-Doyle director in advance of the submission of a formal application in that it is not possible to specify its date of occurrence.

- | | |
|-------------------|--|
| December 31: | Annual inventory of existing facilities and survey of need for additional facilities compiled by the Department of Public Health in conjunction with the Department of Mental Hygiene. |
| January/February: | Advisory Hospital Council holds its annual public hearings (alternately held in Los Angeles and San Francisco) to receive suggestions for the policies and catchment area boundaries to be included in the forthcoming State plan. |

^{1/} See the California Welfare and Institutions Code (Sections 9000-9058) for statutory details.

- March/April: Advisory Hospital Council makes specific policy recommendations to the Department of Public Health.
- May/June: State plan submitted to the Public Health Service regional office in San Francisco for approval. PHS review of State plan takes two to three months.
- July 30: Deadline for the submission of formal applications to the Department of Public Health. The Department, in turn, sends copies of the proposal to the Deputy Director, Community of Mental Health Services, Department of Mental Hygiene and to the appropriate regional health facilities planning association for their review and comment.
- December/January: Advisory Hospital Council meets to make recommendations to the Department of Public Health on which applications should be forwarded to the Public Health Service for funding.
- March/April: Public Health Service, following PHS review of the applications, notifies the Department of Public Health of its decisions.

Budget Information

Total Federal Authorization: Public Laws 88-168, 89-105, and 90-31 authorized the following appropriations:

<u>Fiscal Year</u>	<u>Construction</u>	<u>Staffing</u>
1965	\$35,000,000	---
1966	50,000,000	\$19,500,000
1967	65,000,000	24,000,000
1968	50,000,000	30,000,000
1969	60,000,000	26,000,000
1970	70,000,000	32,000,000

State Allocation Formula: Construction funds are allocated by the Secretary of Health, Education, and Welfare on the basis of: (1) population, (2) the extent of the need for mental health facilities, and (3) the financial need of the respective States.

State Financial Participation: California matches the Federal funds allotted.

1967-68 Appropriations: There was slightly more than \$8,000,000 in combined Federal-State money available in fiscal 1967 for the construction of community mental health facilities in California. It is expected that approximately the same amount of money will be made available in fiscal 1968.

Historical Data and Program Trends

The latest available figures (March, 1967) show that there have been 31 approved projects in California since the program was initiated in 1963; of these the 8 listed below are in the Bay Area:

1. Marin County Hospital District (San Rafael): Construction
2. Oakland Community Mental Health Center: Construction
3. Peninsula Hospital Mental Health Center (Burlingame): Construction
4. San Jose Community Mental Health Center: Staffing
5. Santa Clara County Mental Health Center:
 - a. San Jose: construction and staffing
 - b. Sunnyvale: construction and staffing
 - c. Palo Alto: staffing
 - d. Los Gatos: staffing

It is estimated that 15 to 20 construction applications are submitted each year to the State Department of Public Health. Of these, approximately one-half are forwarded to the Public Health Service for approval. There were two applications from Bay Area agencies this year and it is not expected that there would be more than five in any single year.

Based on this review, it would appear that ABAG could expect to receive three or four construction proposals each fall. (The applications for staffing assistance are submitted directly to the Public Health Service and do not require ABAG's review.)

Cross-Reference to Other Programs

1. For information on the Hill-Burton Hospital Construction Program, see that program summary in this manual.
2. For information on the Mental Retardation Facilities Construction Program, see that program summary in the manual.
3. For further information on the Short-Doyle "Community Mental Health Services" program contact the State Department of Mental Hygiene.
4. For information on the Federal assistance available for areawide health planning (including the mental health component), see the comprehensive areawide health planning summary in this manual under the general heading "Planning Assistance."

Sources

1. Public Laws 88-164, 89-105, and 90-31.
2. Sections 430 to 435 of the California Health and Safety Code.
3. Sections 9000 to 9050 of the California Welfare and Institutions Code.
4. State Advisory Hospital Council, Agenda, May 24-24, 1967.
5. Public Health Service: Documents No. 1449, 1477, 1478, 1578, and 1624.
6. Public Health Service: Roster of Community Mental Health Centers -- Region 1 (June 22, 1967).

ABAG Review Requirements (Proposed)

See Hill-Burton program, IV-A-11.

CATEGORY: HEALTH FACILITIES

Program: Construction of Health Research Facilities

Common Name of Program: Health Research Facilities

Authorizing Legislation: Health Research Facilities Act of 1956, P.L. 84-835 as amended; [Title 42 USC 292-292i]

Eligible Recipients: Public or private non-profit medical research institutions

Program Aid: Project grants

Responsible Federal Agency: National Institute of Health
Public Health Service
Department of Health, Education,
and Welfare

Program Description and Objectives

This program provides grants to public and private non-profit institutions to help finance the construction and equipping of facilities for research in sciences relating to health. Grants of up to 50 per cent of the cost of construction are available.

Eligible Agencies and Kinds of Projects

Any public or private non-profit organization certified by the Secretary of Health, Education, and Welfare to engage in health research is eligible for assistance.

Eligible projects under this program include the construction modernization, or renovation of health research facilities. In addition, grant funds may be used for the purchase of equipment and for the training of staff in its use. Priority consideration will be given to applications for facilities designed to:

1. Meet an urgent research need;
2. Adapt easily to various types of research methods; and
3. Improve the geographic distribution of research facilities.

All applications must be submitted no later than June 30, 1968.

Federal Requirements

Of State Governments: None

Of Regional or Area Planning and Programming Agencies:
Section 204 of P.L. 89-754 applies.

Of Applicant Agencies: The applicant must certify that:

1. The facility will be used for research purposes for at least 10 years; and
2. That sufficient funds are available for maintaining and operating the facility after construction is completed.

In addition, the provisions of Section 204 of P.L. 89-754 are applicable.

Administrative Process for Grant Applications

Applications are submitted directly to the Division of Research Facilities and Resources (National Institute of Health) in Bethesda, Maryland. There are no regional representatives and the State Department of Public Health is not involved except as an eligible applicant.

After an applications has been received, a three-member committee visits the site and confers with the applicant. This committee is comprised of:

1. The Director of the Health Research Facilities Branch of the Division of Research Facilities and Resources;
2. A member of the Health Research Facilities Scientific Review Committee; and
3. A Public Health Service Health Consultant.

The application is then reviewed by the Scientific Review Committee and forwarded to the National Advisory Council on Health Research Facilities. The Council, an independent advisory board, holds three meetings annually to review applications and to make recommendations to the Surgeon General.

The minimum elapsed time in this process is four months. It should be noted, though, that a favorable recommendation by

the Council does not guarantee the award of a grant. The Council does not establish priorities but merely certifies a project for consideration by the Surgeon General. This process results in the accumulation of a backlog of approved projects awaiting funding. Hence, the four-month time period is for application review only and another year or more elapses before a grant is awarded.

The Council deadlines for the 1968 fiscal year are as follows:

<u>Must be Received by:</u>	<u>For Council Review in:</u>
November 1	April
March 1	June
June 30	December

Budget Information

Total Federal Authorization: The original legislation authorized to be appropriated an annual sum not to exceed \$50,000,000 for the fiscal years 1958 through 1967; and for fiscal years 1968 and 1969 an aggregate sum not to exceed \$280,000,000.

Formula for Allocation to the States: None

State Financial Participation: No direct participation; however, in the case of a State-supported institution, the State would contribute indirectly.

1967-68 Federal Appropriation: Not available.

Historical Data and Program Trends

Through calendar year 1966, 1,084 grant awards had been approved (nationwide) representing a Federal investment of slightly less than \$390,000,000. California's share was 74 approved projects -- approximately \$41,000,000 in Federal funds. Bay Area approved projects are shown in the attached table.

Information was not available on the total number of applications made; however, the table indicates that an average year would produce at least three to four applications.

Cross-Reference to Other Programs

None.

Sources

1. P.L. 84-835
2. Various National Institute of Health publications.

BAY AREA HEALTH RESEARCH GRANTS

(1956-1966)

<u>Applicant</u>	<u>Type of Research Facility</u>	<u>Federal Grant</u>
Department of Public Health (Berkeley)	Cancer	\$81,000
Children's Hospital (Oakland)	Pediatrics	75,000
Children's Hospital (San Francisco)	Medical	439,628
Highland Hospital (Oakland)	Lipid metabolism	65,987
Kaiser Hospital (San Francisco)	Allergy	49,280
Langley Porter Institute (San Francisco)	Mental Health	150,000
Mount Zion Hospital (San Francisco)	Basic medical	173,483
Palo Alto Research Foundation	Medical	282,145
Presbyterian Hospital (San Francisco): 2	Clinical	274,200
	Surgical	383,750
Stanford Research Institute (Menlo Park): 2	Biological	300,000
	Life Sciences	500,000
Stanford (Palo Alto): 5	Basic Medical	2,804,054
	Neurophysiology	86,418
	Clinical	2,117,588
	Chemistry	210,000
	Sanitary Engineering	89,547
University of California: 8		
Berkeley	Biochemistry	700,745
Berkeley	Biochemistry	99,748
San Francisco	Medical Sciences	25,988
San Francisco	Cardiovascular	251,875
San Francisco	Radiological	24,972
San Francisco	Medical and Dental	4,438,784
San Francisco	Basic medical	432,500
San Francisco	Pharmacology	25,500
University of the Pacific (San Francisco)	Dental	469,750
University of San Francisco	Biological	356,398

TOTAL: 27

\$14,974,340

ABAG Review Requirements (Proposed)

The majority of applications made under this program are from universities or university-related research institutes, thus there is little likelihood these applications will have regional planning implications. Applications from public or private hospitals, however, could have regional significance, especially if a new site location is involved. To assure that the proposed facility will not conflict with comprehensive regional plans, it is recommended that ABAG request notification from the National Institute of Health at the time applications or inquiries are received. ABAG personnel would then meet with the applicant to review the proposal.

CATEGORY: HEALTH FACILITIES

Program: Vocational Rehabilitation Facilities

Authorizing Legislation: Vocational Rehabilitation Act
Amendments of 1965; P.L. 89-333
[Title 29 USC 31-42]

Eligible Agencies: States,
Local General Governments,
Public and Private Non-profit
Organizations

Program Aid: Project Grants

Responsible Federal Agency: Vocational Rehabilitation Ad-
ministration, Department of
Health, Education and Welfare

Program Description and Objectives

This legislation was enacted to assist in financing the cost of projects that hold promise of making a substantial contribution to the solution of vocational rehabilitation problems. To accomplish this goal, financial assistance is made available to aid in the construction or modernization of vocational rehabilitation facilities, the equipping of such facilities, and their initial staffing.

The 1965 amendments authorized two types of financial assistance to qualified agencies:

1. Grants to States for Vocational Rehabilitation Services (Section 2): This section permits States to spend a portion of their annual "services" allotment for the expansion, remodeling, or alteration of existing workshops or other rehabilitation facilities, but not on the construction of new ones. These grants are available to States and qualified local agencies. The Federal share of project costs cannot exceed 75 per cent.
2. Grants for the Construction of Rehabilitation Facilities and Workshops (Section 12): This Section authorizes the Secretary of Health, Education and Welfare to make grants to States, and through them to local applicants,

for the construction or modernization of either new or existing facilities. The amount of assistance that can be granted is equal to the State's allotment percentage under the Hill-Burton hospital construction program. (In California, the Federal share of Hill-Burton construction costs is limited to one-third.)

In addition to the financial assistance for construction, eligible agencies can receive grants for the initial staffing of workshops and other rehabilitation facilities (whether or not the construction was financed through this program) and for the payment of weekly allowances to handicapped trainees assisted in such facilities. Grants for initial staffing can be for 75 per cent the first fifteen months, 60 per cent the first year thereafter, 45 per cent the second year thereafter, and 30 per cent the third year. Weekly allowances of up to \$25 plus \$10 for each dependent (maximum of \$65) are permitted, with the Federal Government paying 90 per cent of the cost. ^{1/}

Eligible Agencies and Kinds of Projects

States, local general governments, and public or non-profit agencies are eligible to receive assistance. All grants must be first approved by the designated State agency responsible for the development of a State vocational rehabilitation plan. In California, this is the State Department of Rehabilitation.

Projects must conform with standards established by the Vocational Rehabilitation Administration (Public Health Service). These standards, briefly, restrict Section 2 funds to existing facilities, while Section 12 funds can be used either for new or for existing facilities. Construction, for the purposes of Section 12, includes:

1. The construction or modernization of new or existing facilities, including the costs of acquiring privately owned facilities;
2. The cost of architects' fees and the acquisition of land in conjunction with a project; and
3. The construction of whatever facilities are necessary to provide residential accommodations for the seriously handicapped.

^{1/} Grants for staffing and weekly allowances are a part of a separate program and, as such, are not within ABAG's regional review responsibility as outlined in Budget Bureau Circular Number A-82.

It should be noted that both the Department of Rehabilitation and the Department of Public Health administer programs for the construction and modernization of rehabilitation facilities. Although there is no clear definition of where each Department's responsibilities lie, most major construction is financed through the Hill-Burton program. This is a result of the financial inability of local applicants to provide sufficient medical care for rehabilitation patients outside a general hospital. Therefore, with few exceptions, a major rehabilitation facility will be constructed as a part of a general hospital financed through the Hill-Burton program. The projects assisted through the vocational rehabilitation program are relatively small and seldom exceed \$100,000 in total cost.

Federal Requirements

Of State Governments: Before any Federal assistance will be provided, a State must meet the following statutory requirements:

1. Designation of a State agency to administer the program;
2. Provision that the State will financially participate in the program;
3. Provision that the plan will be in effect in all parts of the State;
4. Provision for the creation of whatever policies and regulations may be needed to carry out the plan;
5. Provision that in addition to training, maintenance, placement, and guidance, there will be physical restoration services offered;
6. Provision for cooperation of the State agency with agencies administering related programs; and
7. Provision that the State agency will provide such reports as the Secretary of Health, Education, and Welfare may require.

In California, the Department of Rehabilitation is the designated State agency responsible for administration of this program. The Department is responsible for the initial approval of all applications for Federal assistance. The Vocational Rehabilitation Administration retains the authority for final approval and the awarding of grants.

Of Regional Area Planning and Programming Agencies: Section 204 of P.L. 89-754 applies.

Of Applicant Agencies: Construction and modernization proposals must contain:

1. Assurance that the proposed facility will be used for rehabilitation services for at least 20 years; and
2. Assurance that adequate funds will be available to operate the facility.

In addition, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

There are no specific criteria that the Department of Rehabilitation uses to evaluate proposals. In general, an application is judged on its completeness, the type of services proposed, the competence of the applicant's personnel, and relative merit compared with other applications. Consideration is also given to the area's need for the proposed facility.

Administrative Process for Grant Applications

The initial step in applying for Federal assistance begins with the filing of an application at the District Office of the Department of Rehabilitation. Following District review, the application is sent to Sacramento for State review, where applications are evaluated on their internal content and externally against all other applications. A Statewide priority list is then prepared and applications forwarded to the Vocational Rehabilitation Administration Regional Office in San Francisco for approval. The Regional Office, in turn, reviews the application and forwards it to the VRA National Office in Washington for final approval and funding.

The deadline for applications varies each year. Normally, however, applications should be submitted to the District Office no later than December 1. Federal and State review usually requires three to five months. Grants normally are awarded in late spring.



Within ABAG's area of jurisdiction, there are four District Offices of the Department of Rehabilitation:

1. San Francisco District -- Marin and San Francisco Counties
515 Van Ness
San Francisco
2. North Coast District -- Napa and Sonoma Counties
2240 Professional Drive
Santa Rosa
3. Oakland District -- Alameda, Contra Costa, and Solano Counties
Room 5002
1111 Jackson
Oakland
4. San Jose District -- San Mateo and Santa Clara Counties
935 Ruff Drive
San Jose

Budget Information

Total Federal Authorization: To carry out the purposes of P.L. 89-333, the following sums have been authorized to be appropriated: 1/

	<u>Section 2</u>	<u>Section 12</u>
Fiscal 1966	\$300,000,000	\$1,500,000
Fiscal 1967	350,000,000	7,000,000
Fiscal 1968	400,000,000	9,000,000
Fiscal 1969	500,000,000	---
Fiscal 1970	600,000,000	---

Formula for Allocation to the States: The same formula is used as for the Hill-Burton hospital program.

State Financial Participation: For facilities constructed under Section 2, California must contribute 25 per cent of project costs; for Section 12 projects the State of California and the applicant contribute two-thirds of project costs.

1/ Section 2 authorizations for 1969 and 1970 are included in P.L. 90-99; no additional amounts were authorized for Section 12. However, P.L. 89-333 provision for "such sums as Congress may appropriate" remains in effect through 1970.

1967-68 Appropriations: The appropriations for fiscal 1968 had not been passed by Congress as of November 30, 1967. It is expected, however, that there will be a substantial decrease from last year's level. Should this occur, it is unlikely that the Department of Rehabilitation will allocate any of its budget for construction.

Historical Data and Program Trends

For Section 2 programs, California has been receiving approximately \$30,000,000 annually in recent years. Of this, \$486,000 was allotted for construction in fiscal 1966 and \$582,000 in fiscal 1967. The likelihood of a reduced Federal allotment makes the prospects for construction during fiscal 1968 uncertain. In fact, Department of Rehabilitation personnel do not expect to approve any construction grants before fiscal 1970.

To date no Section 12 funds have been spent in California. Such funds are distributed by the Public Health Service on a regional basis and States within the Region compete for the available amount. During fiscal 1966, Region 9 (Alaska, Arizona, California, Hawaii, Nevada, Oregon, and Washington) received no allotment. The allotment for fiscal 1967 was \$392,500.

Only one application was approved in 1967 for Section 12 funds. That was for a rehabilitation center in Tucson, Arizona. California had developed plans in 1966 for an \$8,000,000 rehabilitation center for the mentally retarded to be located in San Jose, but the proposal was scrapped when Federal funds were not forthcoming.

Approved Section 2 Grants For Bay Area Agencies

Goodwill Industries Vocational Service Center (San Jose)	\$15,994
United Cerebral Palsy Center Workshop (Oakland)	138,750
Mt. Diablo Therapy Center (Pleasant Hill)	15,725
Goodwill Industries (San Francisco)	78,689
Solano Council for Retarded Children Training Center (Vallejo)	33,817
TOTAL	\$282,975

Cross-Reference to Other Programs

1. For information on the Hill-Burton hospital construction program, see the summary in this manual.
2. Planning Assistance for comprehensive areawide health planning, including the vocational rehabilitation element, is available through the Public Health Service. See the program summary in this manual for further information.

Sources

1. P.L. 89-333
2. P.L. 90-99
3. Miscellaneous Department of Rehabilitation and Vocational Rehabilitation Administration publications.
4. Directory of Workshops for the Handicapped in California (1966)

ABAG Review Requirements (Proposed)

The outlook for this program is not bright, and few, if any, grant applications are expected by the Department of Rehabilitation in the near future. Nevertheless, procedures should be established to assure that applications are reviewed for conformance with regional planning. Procedures should be developed to allow for ABAG review at the time applications are submitted to the District Office.

ABAG review responsibilities for this program, as with the other health-related programs, could be delegated to the designated areawide health planning agency, once one becomes operational.

CATEGORY: HEALTH FACILITIES

Program: Construction of Regional Medical Libraries

Authorizing Legislation: Medical Libraries Assistance Act of 1965, P.L. 89-291 [Title 42 USC 280 (b-3)]

Eligible Recipients: Public or private non-profit institutions of higher education. Public or private non-profit medical libraries.

Program Aid: Project Grants

Responsible Federal Agency: National Library of Medicine
Public Health Service
Department of Health, Education and Welfare

Program Description and Objectives

Section 398 of P.L. 89-291 authorizes the Surgeon General to make grants to existing public or private non-profit medical libraries to enable them to serve as regional medical libraries for designated geographic areas. Grants may be used for the:

1. Acquisition of reference materials;
2. Cataloging, binding, and other basic library services;
3. Acquisition of duplicating devices and other necessary equipment to facilitate the use of a library's resources;
4. Employment of personnel needed to develop a system for the interchange of materials between a regional library and local libraries; and
5. Construction, renovation, rehabilitation, or expansion necessary to permit a regional library to carry out the functions listed above.

Grants for the provision of basic regional services (1 through 4) may be awarded for up to 50 per cent of the library's annual operating expense. Grants for necessary construction may equal 75 per cent of project costs.

Eligible Agencies and Kinds of Projects

Any public or private non-profit institution (except Federal agencies) is eligible to apply for a grant under this program. However, administrative regulations established by the National Library of Medicine limit the number of applicants to ten, one from each of ten geographic areas of the United States. The Pacific Southwest Region embraces Arizona, California, Hawaii, and Nevada. The UCLA medical school library has been designated tentatively as the regional medical library for this region.

Federal Requirements

Of State Governments: None

Of Regional or Area Planning and Programming Agencies:
Section 204 of P.L. 89-754 applies.

Of Applicant Agencies: In addition to meeting the provisions of Section 204 of P.L. 89-754, the applicant agency must certify that the proposed facility will not be converted to other uses for a period of 20 years.

State Requirements

None

Administrative Process for Grant Applications

Prior to the submission of a formal application, a letter of intent notifying the Public Health Service that the institution intends to apply for a grant is to be sent to the National Library of Medicine.

Once an applicant has been invited to apply for a grant, the formal application is reviewed by the National Medical Libraries Assistance Advisory Board. The Board, in turn, makes its recommendations to the Surgeon General.

The UCLA application is reported to be under consideration by the Board at this time.

Budget Information

Total Federal Authorization: There is authorized to be appropriated for fiscal years 1966 through 1970 an annual sum not to exceed \$2,500,000.

Formula for Allocation to the States: None

State Financial Participation: There is no direct State contribution in this program; however, in the case of a State-operated medical library, the State would participate indirectly.

1967-68 Federal Appropriations: Not available

Historical Data and Program Trends

The possibility of any ABAG involvement in regional medical library planning under P.L. 89-291 is indeed remote. The tentative designation of UCLA's medical library as the regional facility means that, unless the application is rejected, the intent of the legislation has been fulfilled. There is a possibility that a "regional medical library program" may be developed by the University of California Medical School (San Francisco) and Stanford Medical School. This program, however, would not involve any P.L. 89-291 funds and would not require new construction.

Of possible interest to ABAG is Section 393 of P.L. 89-291 ^{1/} which authorizes the Surgeon General to make grants to public and private non-profit institutions for the construction of medical library facilities. Such grants may be for 75 per cent of construction costs.

The administrative process for grant applications is the same as for regional facilities, except that deadlines of November 1, March 1, and June 30 exist. Congress has authorized yearly sums not to exceed \$10,000,000 (through fiscal 1970). Information regarding the amounts actually appropriated were not locally available; however, it is believed that they were "extremely limited."

Bay Area institutions are not known to have applied for grants under Section 393.

^{1/} Budget Bureau Circular No. A-82 mentions only "regional medical libraries" as being within ABAG's regional review responsibilities. Assistance for medical library construction, while being authorized by the same legislation, is apparently outside ABAG's statutory responsibilities.

ABAG Review Requirements (Proposed)

This program, as it is presently constituted, involves no regional review responsibilities for ABAG. It is, however, recommended that ABAG remain informed on possible amendments to the program that might affect the Bay Area.

V. OPEN SPACE LAND

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CATEGORY: OPEN SPACE LAND

Program: Open Space (acquisition, development, and preservation)

Common Name of Program: Open Space Land Program

Authorizing Acts: Housing Act of 1961; P.L. 87-70 amended by P.L. 89-117 and P.L. 89-754 (Title 42 USC 1500-1500e)

Eligible Recipients: States
Metropolitan or regional agencies
Local general governments
Special districts

Program Aid: Project grants

Responsible Federal Agency: Office of Metropolitan Development
Department of Housing and Urban Development

Program Description and Objectives

This program is designed to assist states and local governments in their attempts to curb "urban sprawl, . . . blight, and deterioration, (and) to encourage more economic and desirable urban development, and to help provide necessary recreational, conservation, and scenic areas." To accomplish these goals, grants-in-aid of up to 50% of the total cost are available for projects which seek to acquire, develop, or preserve open space land. The Secretary, at his discretion, may grant up to 90% of the total cost for projects which have a special value in "developing or demonstrating new and improved methods and materials." 1/

An exception to the above exists in the case of proposals which include plans for the development -- as distinguished from acquisition -- of open space land. At present, development grants are limited to 12 1/2% of the acquisition costs or \$125,000 per project, whichever is less. This provision does not apply to requests under \$125,000 which are eligible for full (50%) funding.

Eligible Recipient Agencies and Kinds of Projects

Grants may be made to State, regional, metropolitan, municipal, or other local public bodies established by State or local law. The applicant

1/ Bay Area communities may finance their share of the costs with funds received from the State Park Bond Act. See that program summary for further information.

must have the authority to acquire, develop, and preserve open space land, and to receive and spend federal funds for this purpose.

The Secretary of HUD is authorized to make grants for three types of projects:

1. Grants for the preservation of open space lands. These include projects involving the acquisition of title or other permanent interests in any underdeveloped or predominately undeveloped land in an urban area which has value for: a) park and recreational purposes; b) conservation of land and other natural resources; or c) historic or scenic purposes.
2. Grants for the provision of open space land in built-up urban areas. These include projects involving the acquisition of title or other permanent interest in developed land in built-up urban areas to be cleaned and used for open space (including demolition costs) or in areas where open space cannot effectively be provided through the use of existing undeveloped land.
3. Grants for the development of open space land acquired under this program. Eligible projects include the construction of basic sanitary facilities, paths, walks, landscaping, and shelters. Major items such as docks, amphitheaters, swimming pools, and golf courses, etc., are not eligible for assistance.

The Secretary also is authorized to provide technical assistance to applicant agencies and to undertake studies and publish resultant information. either directly or by contract. 1/

Grants are restricted to the costs directly related to an open space project. The Secretary is prohibited from helping to defray ordinary State or local expense. He also is prohibited from financing the acquisition of any land located outside an urban area.

Open space land so acquired cannot be converted to other uses without the approval of the Secretary. Exceptions can be made if he finds it "is essential to the orderly development and growth of the urban area involved and is in accord with the then applicable . . . comprehensive plan . . ." In these instances, it is the responsibility of the requesting agency to provide (substitute) other open space land of at least equal fair market value and equivalent usefulness and location.

1/ The "technical assistance and service" provisions of this program have been used to finance various research projects and the publication of books, pamphlets, and other materials. These projects are administered by the Washington MDO staff.

Federal Requirements

Of State Governments: None

Of Regional or Area Planning and Programming Agencies: Effective April 18, 1967, all applications for open space grants were required to be consistent with areawide comprehensive planning. The current minimum requirements are: 1/

1. Areawide Comprehensive Planning. There must be underway an areawide comprehensive planning program for the urban area in which the land being acquired is located.
2. Areawide Open Space Planning. Long-range (minimum 20 years) open space planning for the acquisition and development of open space land, as an element of areawide comprehensive planning, must be underway.
At a minimum, the comprehensive planning agency must have adopted or approved a work program for such long-range open space planning.
3. Areawide Open Space Programming. There must be a work program providing for the development of a short-range (5-10 years) areawide open space program consistent with open space planning.
4. Local Comprehensive Planning. There must be local comprehensive planning for the area in which a proposed project is to be located. The local plan must be consistent with the areawide plan.

In addition to the above, the provisions of Section 204, P.L. 89-754, are applicable.

Of Applicant Agencies: In addition to fulfilling the applicable parts of the planning requirements listed above, and the provisions of Section 204 of P.L. 89-754, the applicant agency must pay a "project inspection fee" for those projects involving developed land in built-up urban areas. The inspection fee is an eligible part of the project cost shared by the Public Body and the Federal Government on the same basis as other eligible costs. Administrative regulations have been established to deduct the fee from the first project payment. 2/

State Requirements

None

1/ For further information see HUD letter #OS-12 of April 18, 1967.

2/ For further information see HUD letter #OS-8 of July 26, 1967.

Administrative Process for Grant Applications

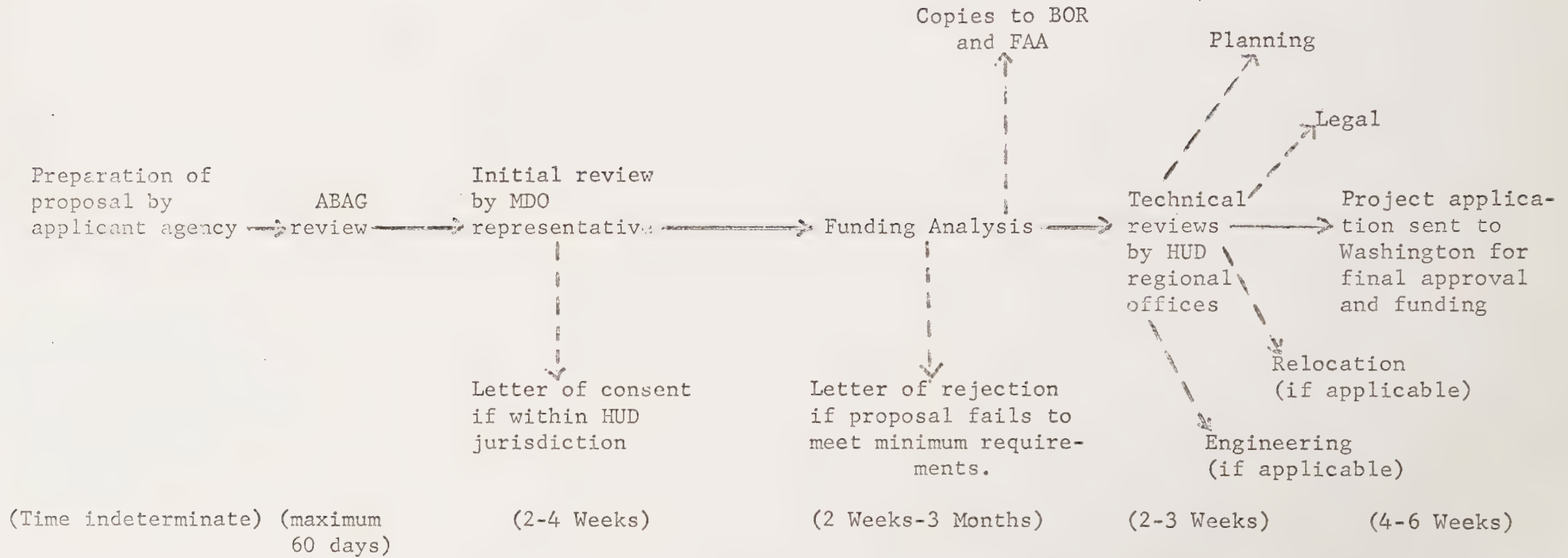
The total lapsed time from when an applicant originally submits an open space proposal until it is funded ranges from two to eight months. The steps involved in the review process are:

1. Preparation of proposal by applicant agency.
(Time indeterminate.)
2. ABAG review. (Maximum 60 days.)
3. Initial review by a representative of the Metropolitan Development Office at the HUD regional office; if the proposal is within HUD's jurisdiction, a letter of consent is sent to the applicant agency. (Time: 2-4 weeks.)
4. MDO representative conducts a "funding analysis;" if the proposal does not meet minimum requirements a letter of disapproval is sent. Also at this time copies of the proposal are sent to the Bureau of Outdoor Recreation and the Federal Aviation Agency for information. (Time: 2 weeks to 3 months.)
5. Technical review by regional officers of HUD. Copies of the proposal are sent to various offices for their inspection:
 - a. Planning -- two weeks
 - b. Legal -- two to three weeks
 - c. Relocation (if applicable) -- two weeks
 - d. Engineering (if applicable) -- two weeks
6. If the proposal successfully clears all of the above steps it is sent to Washington for final approval and funding. (Time: 4-6 weeks.)

Funding analyses are held every three months, usually in July, October, February, and April. 1/ There are no deadline dates by which proposals must be submitted. At the time of a funding analysis, all project applications on hand are ranked on their internal content and against one another. Priority lists are then established and projects are approved on the basis of available funds. Applications which meet the requirements of the MDO but which are not funded are held over for consideration in the next funding cycle. No application remains eligible for more than two funding cycles.

1/ For information on "funding analysis" see: HUD Open Space Letter #OS-13 of May 24, 1967 and Memorandum issued by the Regional Metropolitan Development Office (February and April, 1967).

OPEN SPACE PROGRAM
PROCESS CHART



Budget Information

Total Federal Authorization: There is authorized to be appropriated a sum not to exceed \$310,000,000 through fiscal year 1969. Annual grants for the "provision of open space land in built-up areas" are not to exceed \$64,000,000. Grants for "urban beautification and improvement" are not to exceed \$36,000,000. 1/

Formula for Allocation to the States: No State shall receive more than 12 1/2% of the total authorization. (California is presently within \$10,000,000 of its ceiling.)

State Financial Participation: None

1967-68 Federal Appropriation: \$75,000,000 nationally for fiscal 1968 (combined open space and urban beautification).

Historical Data and Program Trends -

A review of project applications processed during the last five years indicates that the open space program has been extremely popular in the Bay Area. During this period there were 75 applications approved for the Bay Area. This was from a total of 147 submitted throughout California, or 51% of the State total. Bay Area approved applications represent more than \$7,900,000 in Federal funds.

The above figures do not include the 175 California applications received since December of 1966 now awaiting review. Of these, 48 are from the Bay Area. It is expected that this backlog will be cleared by the end of 1967.

This year's appropriation of \$75,000,000 means that the program will continue at roughly the same pace as it has for the last two years. This would mean a monthly workload of approximately four or five proposal reviews for ABAG. Of these, it is estimated that not more than one-half will ultimately be funded.

The approved project summary, shown below, gives further indication of the magnitude of this program.

<u>Year</u>	<u>No. of Projects</u>	<u>Approximate Federal Grant Assistance</u>
1962	1	\$ 22,700
1963	1	156,300
1964	13	711,000
1965	9	600,100
1966	31	3,702,200
1967	21	2,716,500
	75	\$ 7,908,800

1/ Urban beautification applications are not presently required to have regional agency review.

Cross-Reference to Other Programs

1. Bureau of Outdoor Recreation
2. State Park Bond Act

Sources

1. Open Space Letters No. OS 1-13
2. Various HUD Regional Office brochures and memoranda.

ABAG Review Requirements (Proposed)

ABAG's regional review responsibilities have already been recognized by the Department of Housing and Urban Development and satisfactory procedures established. In the event an application involves a site along the San Francisco Bay shoreline, ABAG should notify the applicant to obtain clearance from the Bay Conservation and Development Commission (BCDC) prior to formal submission to ABAG.

CATEGORY: OPEN SPACE LAND

Program: Outdoor Recreation

Common Name of Program: Outdoor Recreation Program

Authorizing Legislation: Land and Water Conservation Fund Act of 1965; P.L. 88-29 [Title 16 USC 460 L-1 to 460 L-11].

Eligible Recipients: States
Local general governments
Special districts

Program Aid: Project grants.

Responsible Federal Agency: Bureau of Outdoor Recreation
Department of the Interior

Program Description and Objectives

This program makes financial assistance available to States and, through them, local general governments, for the acquisition and development of outdoor recreation areas. The legislation is divided into two general parts; the first involves planning and the second is designed to:

"Assist in preserving, developing, and assuring accessibility to all citizens of the United States . . . and visitors . . . such quality and quantity of outdoor recreation resources as may be available and are necessary and desirable for individual active participation in such recreation"

To accomplish the first objective, the Secretary of the Interior, with the assistance of the States, has been empowered to prepare and maintain an inventory and evaluation of national outdoor recreation resources and needs. The inventory system will take the form of a five-year plan to be submitted to the President for transmittal to Congress "as soon as practicable within five years after May 28, 1963 . . . [and] at succeeding five-year intervals."

To accomplish the second objective, a "Land and Water Conservation Fund" has been established to assist in the acquisition and development of outdoor recreation areas. The Land and Water Conservation Fund derives its revenues from the \$7 annual "Golden Passport" to Federal recreation areas, other Federal recreation fees, sales of surplus Federal real property, and a portion of the Federal motorboat fuels tax. Each year approximately 60% of the fund is allocated to the States for the acquisition and development of State and local outdoor recreation areas; the remaining 40% is reserved for acquiring Federal areas, but not for development areas.

The primary responsibility for the administration of the Outdoor Recreation Program lies with the States. Each State desiring to participate must designate a single State agency as the sole administrator of the program. (In California this is the Department of Parks and Recreation.) It is the designated agency's responsibility to prepare and maintain a comprehensive statewide outdoor recreation plan acceptable to the Bureau of Outdoor Recreation. The State plan serves as the basis for allocation of financial assistance.

Financial assistance, in the form of matching grants, is available to qualified applicants. The Federal share of any project is limited to 50% of allowable costs and the applicant is required to finance the remainder from non-federal sources.

Eligible Agencies and Kinds of Projects

States and, through them, local levels of government may apply for grants. The principal requirement, as noted above, is that the proposed project be in conformity with the statewide recreation plan.

All project proposals are submitted to the Bureau of Outdoor Recreation through the State Liaison Officer. (In California this is the Director, Department of Parks and Recreation). The State Liaison Officer is the recipient of all Federal grants. He, in turn, contracts with applicant agencies for the proposed recreation area. In addition, the State Liaison Officer has the initial prerogative of determining which projects will be forwarded to the Bureau of Outdoor Recreation for funding and their priority. The Bureau retains final approval authority for project approval.

Financial assistance may be obtained for acquisition and development projects in highly-populated urban areas as well as in rural and primitive areas. Eligible projects may vary from bicycle paths to hiking trails, from roadside picnic stops to multi-purpose recreation complexes, and from beautification to outdoor sports facilities. Outlines of the criteria used by the Bureau of Outdoor Recreation and the State Department of Parks and Recreation in evaluating applications are provided below.

Bureau of Outdoor Recreation Criteria:

Generally, in the submission of acquisition and development proposals, priority ranking will be guided by the following criteria, which are based upon the Act and its legislative history:

1. Acquisition and development projects, which can be financed only through public funds appropriated specifically for outdoor recreation purposes, will be given particular consideration. High priorities will not ordinarily be assigned to projects that would or could, in the absence of this program, be financed with funds appropriated for other purposes or with private funds.

2. Proposals to benefit the general public are preferable to those intended for a segment of the public. However, consideration will be given to the needs of handicapped, aged, and underprivileged groups to assure that they are adequately provided for.
3. Development of basic facilities is preferable to that of more elaborate construction.
4. Where sports activities are concerned, developments for active participation are generally preferable to construction of spectator type facilities.
5. Priority attention will be given to meeting the needs of urban populations.
6. In those areas where there is a scarcity of recreation lands for public use, acquisition projects will be preferable to development projects.
7. The Bureau encourages projects which would enhance, preserve or restore natural beauty. Thus, those proposals which are solely intended to beautify will be considered. Also, among other considerations each proposal will be evaluated on how well it will improve the quality of the environment in which the project would be located.

State of California Criteria:

The following general criteria are used to supplement the criteria of the Bureau of Outdoor Recreation to determine eligibility and priority of acquisition and development projects:

1. Best fulfillment of the purpose of the Act;
2. Areas of greatest need;
3. Activities in greatest demand;
4. Broad geographic balance of expenditures within the State and between State and local projects over a period of years, rather than in a single year;
5. The project should be regional in significance. For the purpose of this program, a regional recreation project will be judged by its overall character, location, size, and diversity of recreation uses. By virtue of its overall attractiveness, it should be capable of generating significant demand from the entire county, or from other counties;

6. The project should primarily provide outdoor facilities and activities other than organized or team sports;
7. The project should provide for more than a single recreation use or activity;
8. The project should provide recreation uses traditionally administered by a public agency;
9. Priority will be given to projects which will be open to the public within a reasonable period of time after the conveyance of grant funds and completion of acquisition and development;
10. Consideration will be given to the relationship between the project costs and the number of visitors expected to use the project;
11. The applicant must possess or be able to obtain within a reasonable period, rights and interests in the land to be acquired or developed, sufficient to ensure future permanent use for public recreation; encumbrances on land, if unavoidable, must not be incompatible with the proposed recreation activities; and
12. At the time the project is open for public use, the applicant must be in a legal and financial position to maintain and operate the project at a reasonable level consistent with the public recreation purposes for which the project was approved.

Federal Requirements

Of State Governments: A comprehensive statewide outdoor recreation plan approved by the Bureau of Outdoor Recreation is required. The plan will be considered adequate if it promotes the purposes of this law and contains:

1. The name of the State agency having authority to act for the State for the purpose of this law;
2. An evaluation of the demand for and supply of outdoor recreation resources and facilities for the State;
3. A program for the implementation of the plan; and
4. Other necessary information, as may be determined by the Secretary of the Interior.

The statewide plan, in addition to serving as a guide for Federal grant assistance, should serve other purposes. It should identify capital investment priority for acquiring, developing, and protecting significant outdoor recreation resources within a State, regardless of source -- Federal, State, local, or private. The State plan also should contain an implementation program for coordinating the activities of all Federal, State, and local agencies involved in providing outdoor recreation areas.

California's present State plan expires on July 1, 1968. On or before that date, the State must submit a revised and updated plan to the Bureau of Outdoor Recreation for approval.

Of Regional or Area Planning and Programming Agencies:

Section 204 of Public Law 89-754 applies.

Of Applicant Agencies: In addition to meeting the requirements of Section 204 of P.L. 89-754, applicant agencies must agree to dedicate projects to permanent public outdoor recreation use. The applicant also must certify that it has sufficient funds available to operate and maintain the proposed facility following acquisition or development. 1/

State Requirements

The California Department of Parks and Recreation is the sole agency responsible for administering the Outdoor Recreation Program in California. The Director of the Department has been designated by the Governor as the State Liaison Officer. The Department and the Director have the authority to make whatever regulations are necessary to implement the program.

An application must be submitted to the Department by July 1 to qualify for assistance in the forthcoming fiscal year. The specific requirements that must be fulfilled by applicants are included in the Procedural Guide -- Part I - Application Procedures (April, 1967). The principal requirements that must be met include:

1. Conformity with statewide plan;
2. Conformity with the appropriate regional, county, or area recreation plan; and
3. Conformity with the recreation element of the applicant's local general plan.

In addition to the above, the applicant, if the proposal involves a site on or near the San Francisco Bay, must submit a letter containing

1/ A detailed 200-page instruction booklet on the specific requirements can be obtained from the Bureau of Outdoor Recreation. The booklet is titled Outdoor Recreation -- Grants-In-Aid Manual, (priced at \$4.00)

the comments of the San Francisco Bay Conservation and Development Commission (BCDC). The applicant also must certify that the designated regional review agency (ABAG) has reviewed the proposal.

Administrative Process for Grant Applications

The administrative process for grant applications requires a minimum of six months for local projects. State projects, because of the necessity of gaining legislative approval, often take a substantially longer time. The administrative process described below is for local projects only.

1. Preparation of Proposal by Applicant: (Time indeterminate)
2. Submission to Regional Agencies: Both ABAG and BCDC (if applicable) are permitted sixty days to review and comment on the proposal.
3. Submission to Department of Parks and Recreation: Formal application, containing ABAG and BCDC letters, is submitted to Department of Parks and Recreation. The Department reviews each application and recommends to the State Liaison Officer which projects should be forwarded to the Bureau of Outdoor Recreation for approval. (Time: three months)
4. Submission to Bureau of Outdoor Recreation: The State Liaison Officer submits projects to the Bureau of Outdoor Recreation for BOR review and approval. 1/ Following review, the BOR notifies the State Liaison of its decisions. (Time: three months)
5. Final Approval: Following notification by the BOR, the State conducts a final technical review of applicant's plans and enters into a contract.



(Minimum elapsed time: six months)

1/ Executive Order 11237 requires the Department of Housing and Urban Development and the Department of the Interior to coordinate their Open Space and Outdoor Recreation programs. Administrative procedures have been established by each agency to exchange urban-area applications for informational purposes.

Budget Information

Total Federal Authorization: The Secretary of the Interior is authorized to distribute the Land and Water Conservation Fund revenues on a sixty-forty basis between the States and agencies of the Federal Government, except for a 5% contingency fund to be retained for his use in the event of an urgent situation requiring immediate remedy. Allocations made from the Fund are available for use during the following two fiscal years.

Formula for Allocation to the States: The 60% of the Fund that is reserved for the States is distributed in the following manner:

1. 40% is divided equally among the States; and
2. The remaining 60% is apportioned on the basis of need, as determined by the Secretary of the Interior.

At no time shall the total amount for any one State exceed 7% of the total available for allocation to all of the States.

1967-68 Federal Appropriations: California's portion of the Land and Water Conservation Fund amounted to \$3,418,769 in fiscal 1967. California's fiscal 1968 apportionment is \$3,467,433. 1/

State Financial Participation: Local agencies are required to provide their own share of project costs; however, this may include the local grant portion of the State Beach, Park, Recreation, and Historical Facilities Bond Act of 1964, but not money received from other State sources.

Historical Data and Program Trends

This program has been operational since early 1966. Since that time, 71 California projects have been submitted to the Bureau of Outdoor Recreation. 2/ Of this total, 46 were approved, four were withdrawn by the State prior to approval, one was disqualified, and the balance are awaiting final action. Bay Area agencies have submitted 12 of the 71 projects. Of these, two were withdrawn by the State and one was disqualified by the Bureau. The nine Bay Area approved projects are shown below.

1/ The amount apportioned to a State is not always the same as funds received. Apportionments are based on expected accrual of revenue to the Fund. Actual revenues for distribution may be more or less than the amount apportioned. The apportionment, then, is permissive only. For fiscal 1966 California received slightly more than the apportioned amount. Disbursement to the States in fiscal 1967 amounted to 86.04% of apportionments.

2/ Figures as of November 20, 1967.

<u>Applicant</u>	<u>Project Title</u>	<u>Amount Requested</u>
East Bay Regional Park District	Alameda Creek-Coyote Hills Park Acquisition	\$ 950,000
City of Mountain View	Shoreline Park Acquisition	1,100,000
City of Mountain View	Shoreline Park Development	100,000
City of San Jose	Kelley Park Development	100,000
City of Santa Clara	Central Park Development	50,000
City of San Francisco	John McLaren Park Development	300,000
City of Pleasant Hill	Paso Nogal Park Acquisition	51,000
City of Berkeley	Marina Park	100,000
County of San Mateo	San Mateo Hiking and Riding Trails	30,000
	Total:	<u>\$ 2,781,000</u>

On the basis of the above information, it would appear that ABAG could expect to review 8-12 proposals a year. However, a one-year moratorium (for the 1968 fiscal year) has been put into effect on all Bay Area proposals. This is said to be the result of previous over-funding for the Bay Area. Combined with the necessity of revising the statewide recreation plan, this makes any prediction as to the volume of proposals uncertain.

Cross-Reference to Other Programs

1. The Department of Housing and Urban Development's Open-Space Program. (See the Program by that name in this manual.)
2. The State Park Bond Act Program. (See the Program by that name in this manual.)
3. ABAG can expect to be called upon by the statewide planning unit of the State Department of Parks and Recreation, for assistance in the preparation of the revised comprehensive statewide recreation plan.

Source

1. United States Code Annotated -- 1966 (Laws enacted through October 16, 1966, up to and including Public Law 89-695.)
2. Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754)
3. California Department of Parks and Recreation, Procedural Guide -- Part I - Application Procedures. (April, 1967)
4. California Department of Parks and Recreation, Procedural Guide -- Part II - Fiscal Procedures. (July, 1967)
5. Bureau of Outdoor Recreation, Fact Sheets. (April, 1967)

ABAG Review Requirements (Proposed)

The ABAG review procedures for outdoor recreation proposals have already been established with regard to State and Federal grant programs; however, the relationship of ABAG and BCDC reviews has not been made clear. It is recommended that ABAG require applicants to include in their application the comments of BCDC, whenever such comments are required. The responsibility for obtaining a BCDC review should rest with the applicant, permitting ABAG to use its 60-day period to evaluate both the application and BCDC's comments.

CATEGORY: OPEN SPACE LAND - GREENSPAN

Program: Open Space Land (acquisition and development)

Common Name of Program: "Greenspan" Program

Authorizing Legislation: Food and Agricultural Act of 1965;
P.L. 89-231 [Title 7 USC 1838 (1) (2)].

Eligible Recipients: States
Local General Governments

Program Aid: Project Grants

Responsible Federal Agency: Agricultural Stabilization and
Conservation Service
Department of Agriculture

Program Description and Objectives

The "Greenspan" program is a subsection of the Cropland Adjustment Program (CAP). CAP is intended to encourage farmers to take surplus cropland out of production for periods of up to ten years and to divert it to other uses such as open space, natural beauty, or wildlife and recreation facilities. The amount of financial assistance farmers can receive is dependent on the agriculture value of the land.

The "Greenspan" portion of this program is intended to aid public agencies in the purchase of surplus cropland. Financial assistance is given under the same 50% formula as the CAP assistance. For example, if an area has potential ten-year agricultural value of \$20,000, the applicant agency could receive a \$10,000 grant toward the purchase of the land.

The "Greenspan" program was originally intended to be in operation during the calendar years 1966, 1967, 1968, and 1969. However, due to a lack of applications it was not funded for either 1967 or 1968 and it is doubtful if it will be funded for 1969.

Eligible Agencies and Kinds of Projects

States and their political subdivisions are eligible to receive assistance under this program. A project site, to be eligible, must meet the following criteria:

1. The land must have been in production during the preceding year and devoted to the growing of either peanuts, cotton, feed grains, or tame hay.

2. The land must have been devoted to row crops or small grain crops in at least one of the last three years.
3. The land must not have been acquired by the public agency prior to January 29, 1966.
4. The land must not have been acquired by right of eminent domain or condemnation.

Federal Requirements

Of State Governments: None

Of Regional or Areawide Planning and Programming Agencies: Section 204 of P.L. 89-754.

Of Applicant Agencies: The applicant must agree to permanently dedicate the land purchased to open space or recreation uses. It is also the responsibility of the applicant to secure the approval of the appropriate State recreation and agricultural agencies, if their approval is required.

In addition the provisions of Section 204 of P.L. 89-754 are applicable.

Administrative Process for Grant Applications

This program, as mentioned earlier, is not now operational. It was in operation during the first six months of 1966. Administrative regulations in existence at that time provided that all applications must be received no later than June 30 by the California ASCS State Office.

If the program does become operational again, the ASCS County Office and ABAG would have to review applications prior to the ASCS State Office review. The June 30 deadline would be in effect.

Budget Information

Total Federal Authorization: The original Cropland Adjustment Program legislation authorized a sum not to exceed \$225,000,000 to be appropriated (fiscal years 1966-1970). The portion of this sum that could be diverted to the "Greenspan" program was not specified.

Formula for Allocation to the States: None

State Financial Participation: None

1967-1968 Appropriations: None

Historical Data and Program Trends

During the brief history of this program, no applications have been submitted by any public agencies in California. The principal reason for this lack of response is believed to be the unrealistic aid provisions. The fact that grant assistance is based on a ten-year estimate of agricultural production rather than the market value of the land means that the assistance available represents an extremely small portion of the purchase price.

ASCS personnel do not expect this program to be funded in the coming year. Even if it were to be, they doubt whether any Bay Area communities would participate in it.

Cross-Reference to Other Programs

1. For information on the Outdoor Recreation program administered by the Department of the Interior, see the program by that title under the general heading "Open Space".
2. For information on the Open Space program administered by the Department of Housing and Urban Development, see the program by that title under the general heading "Open Space".

Sources

1. P. L. 89-231
2. U. S. Department of Agriculture: Bulletins (March, June and December 1966)

ABAG Review Requirements (Proposed)

There is no current indication that this program will be reactivated; however, if it is, ABAG should request the Agricultural Stabilization and Conservation Service to refer all applications to it prior to ASCS consideration.

CATEGORY: OPEN SPACE LAND

<u>Program:</u>	Outdoor Recreation Facilities
<u>Common Name of Program:</u>	State Park Bond Act
<u>Authorizing Legislation:</u>	State Beach, Park, Recreational and Historical Facilities Bond Act of 1964 (Chapter 1690, California Public Resources Code).
<u>Eligible Recipients:</u>	State Park Commission Counties (and through them cities and special districts)
<u>Program Aid:</u>	Project Grants
<u>Responsible State Agency:</u>	Division of Recreation Department of Parks and Recreation The Resources Agency

Program Description and Objectives

The California State Park Bond Act, authorized by a vote of the people in 1964, provides \$150,000,000 for the acquisition and development of outdoor recreational facilities. The principal beneficiaries of this program are the State Park System and local general governments. For the State system, \$85,000,000 was authorized for the acquisition of land and \$20,000,000 for the development of such land. For local parks, a total of \$40,000,000 for acquisition and development was authorized.

Funds for local parks are apportioned on a county-by-county basis. Each county is entitled to \$1.25 per person plus an additional 25 cents per person for those counties which participate in the development of an areawide or regional plan. Funds not appropriated to the counties by July 1, 1970, will be available to the Resources Agency Administrator for disbursement as he deems appropriate.

The Bond Act does not require matching contributions on the part of local agencies. However, State grants may be used as the local agency's matching funds for grants received from the Department of Housing and Urban Development (Open Space) and the Bureau of Outdoor Recreation (Land and Water Conservation Fund).

Eligible Agencies and Kinds of Projects

All applications for a State grant by a city, district, or regional public agency must be approved by the board of supervisors of the county or counties in which the project is located. The application must conform to the county's general plan.

A project site, to be eligible, must meet the following criteria:

1. The project shall primarily serve day use from urban centers of population, preferably within approximately one hour's auto travel distance from such centers;
2. The project shall primarily provide outdoor facilities and activities;
3. The project shall provide for more than a single recreational use or activity;
4. The project shall provide recreation uses traditionally or more appropriately developed and administered by a public agency rather than by private enterprise;
5. Priority shall be given to projects which will be open to the public within a reasonable period of time after the conveyance of grant funds and completion of acquisition and development;
6. The project shall be designed to fulfill a demand for regional recreation use in the geographical location proposed at the time of application or within the foreseeable future;
7. Except under unusual circumstances, State grants will not be approved when other Federal, State or local funds for regional projects are available, unless such funds are to be utilized on a complementary basis.

State Requirements

The principal State requirement to be met before a county, or the cities and districts within it, will be eligible, is the preparation of a general plan with provisions for a recreation element. Individual applications are then approved on the basis of conformance with the county's general plan and the State Development Plan.

To date, 21 of the State's 58 counties have not submitted an acceptable general plan to the Resources Agency. The eight ABAG county members have all complied, Solano County has not. In the event a county does not submit a general plan by July 1, 1970, its share will revert to the Resources Agency Administrator for distribution.

Administrative Process for Grant Applications

All applications for State funds must be submitted to the Resources Agency (Division of Recreation) by October 1. The applications are then

reviewed by various State agencies and, if there are no serious objections, submitted to the Governor no later than December 1. Funds become available on July 1, following the Legislature's passage of the State budget.

During the two months that applications are processed by the Resources Agency, reviews are performed by the following agencies:

1. Division of Recreation: Conformance with planning requirements
2. Department of Parks and Recreation: Technical review of proposed facilities
3. State Office of Planning: Conformance with State Development Plan
4. Division of Highways: For possible conflict with highway planning

Other State agencies -- such as the Department of Fish and Game -- may be requested to review a proposal.

Regional planning agencies, such as ABAG and SCAG, have not played a major role in the review of grant applications. Their comments are asked only if there is sufficient time remaining following State Agency reviews. With only 60 days available for State Review, this is seldom done.

Applicant Agency → County Supervisors → Resources Agency → State Reviews → Governor's Budget → Legislative Authorization

(Minimum Elapsed Time: 9 months)

Budget Information

Total Authorization: The Act authorized the following amounts to be expended on recreational facilities:

- | | |
|---|----------------|
| 1. For the acquisition of land (including beaches) for the State park system | \$ 85,000,000 |
| 2. For the development of land acquired above | 20,000,000 |
| 3. For the acquisition and development of land for wildlife management purposes | 5,000,000 |
| 4. For grants to local governments for acquisition and development of local recreational facilities | 40,000,000 |
| | \$ 150,000,000 |

Formula for Allocation to the Counties: (See below)

Total Appropriations (through July 1, 1967): For the acquisition of land for the State park system \$81,733,040 has been appropriated, for local parks, \$30,187,000.

Historical Data and Program Trends

The major Bay Area counties have already been appropriated their maximum amounts. Of the other counties, only Solano and Sonoma have substantial amounts still available. This suggests that if ABAG is to become involved, it will have only a few applications to process.

<u>County</u>	<u>At \$1.25 per person</u>	<u>25 cents Bonus</u>	<u>Total Allocation</u>	<u>Total Authorized Expenditure</u> <u>1/</u>
Alameda	\$ 1,547,000	\$ 309,400	\$ 1,856,400	\$ 1,857,000
Contra Costa	920,375	184,075	1,104,450	1,104,000
Marin	377,625	75,525	453,150	368,000
Napa	126,125	25,225	151,350	142,000
San Francisco	938,125	187,625	1,125,750	1,126,000
San Mateo	945,625	189,125	1,134,750	1,135,000
Santa Clara	1,776,375	355,275	2,131,650	2,132,000
Solano	272,250	----- <u>2/</u>	272,250	-----
Sonoma	324,375	64,875	389,250	84,000

Cross-Reference to Other Programs

1. HUD -- Open Space
2. Bureau of Outdoor Recreation -- Outdoor Recreation

1/ Through July 1, 1967

2/ Solano County is not eligible for the bonus because of its failure to prepare an acceptable general plan. If such a plan were submitted the county would be eligible for an additional \$54,450.

3. Recreational development can also be included in the programming of projects sponsored by:

- a. Corps of Engineers
- b. Bureau of Reclamation
- c. Soil Conservation Service

Sources

- 1. Guide for the State Grant Program
- 2. Projects Summary (7-1-67)

ABAG Review Requirements (Proposed)

The major share of potential applications -- both State and local -- has already been acted upon by the State Legislature. Thus, with the exception of Solano and Sonoma County applications, little remains in this program that affects the Bay Area.

If ABAG wishes to comment on the remaining applications, it must establish procedures for review prior to the annual State submission date of October 1. The 60-day review period in Sacramento precludes, in most cases, the possibility of an ABAG review. ABAG should urge its members to provide ABAG with a copy of the application prior to submission to the Resources Agency. (This is not now a requirement of the State.)

It is recommended that ABAG remain in close contact with the Division of Recreation regarding the status of unappropriated funds. If it appears that the Resources Agency will have funds available for distribution after the July 1, 1970 deadline, ABAG should alert its members to the possibility that they may be eligible for additional assistance even though they have previously received their maximum basic formula allocation.

VI. TRANSPORTATION

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CATEGORY: TRANSPORTATION - AIRPORTS

Program: Airport Planning and Construction

Authorizing Legislation: Federal Airport Act; P.L. 89-647
(most recent of several amendments.)
[Title 49 USC 1101-1120]

Eligible Recipients: States, local general governments,
and other local public jurisdictions.

Program Aid: Planning and project grants.

Responsible Federal Agency: Federal Aviation Agency
Department of Transportation

Program Description and Objectives

To provide a National Airport Plan for, and follow through with construction of, "a system of public airports adequate to anticipate and meet the needs of civil aeronautics." The program shall take into account the probable technological developments in the science of aeronautics, growth requirements, and the needs of the Department of Defense. Special emphasis is given to the development of airports to serve commercial air carriers and general aviation airports to relieve congestion at high density air carrier airports. The Plan is basically a five-year development program, but longer-range needs are considered in its preparation -- e.g., 20-year passenger load projections.

The program is not intended as one of comprehensive regional airport planning and development; it is designed primarily to assist in the improvement of existing airports to meet safety and public service needs. Assistance under this program in the planning and construction of new airports in the San Francisco Bay Area is not now nor will it in the future be substantial. Only one "advance planning" grant has been authorized in California and that not in the Bay Area. FAA sees advance planning as the kind of comprehensive planning federally supported under 701 grants through HUD. The costs of project-type planning incurred prior to approval of a project may later qualify for reimbursement of the Federal share. Any planning should relate to projects to be actually undertaken (construction begun) within two or three years. There is a specific prohibition against using funds of this program for general area, urban, or statewide planning of airports, as distinguished from planning a specific project.

The FAA is required to make public by January 1 of each year the proposed program of airport development for the following fiscal

year (July 1-June 30). At least three months prior to this the national plan for the development of public airports must be revised, in consultation with the Civil Aeronautics Board, the several States, the FCC, and the Department of Defense.

The federal grant allowance in California for airport layout plans, plans designed to lead to a project application, and airport construction projects is currently 53.64 per cent. (The base formula is 50-50, adjusted -- annually -- to reflect the extent of federal land ownership in certain states.)

The United States' share of the costs of high intensity airport lighting systems, including land for such purposes, shall not exceed 75 per cent.

Eligible Agencies and Kinds of Projects

Any public agency -- including States, or agencies thereof, counties, municipalities, and other political subdivisions -- may submit an application to the Administrator of the Federal Aviation Agency for an advance planning, engineering, or airport construction or improvement project. A project must be consistent with and included in the current version of the National Airport Plan. Two or more public jurisdictions may join together as co-sponsors of a project -- for example, one or more cities and a county.

Priority is given to projects for improving or extending runways, aprons, and taxiway systems, and relieving major airports (overcrowded) of general aviation by building or improving "relief" facilities in the area.

Not to be included as part of "project" costs are parking facilities for cars, passenger terminals, hangars, and any other construction that is not "intended to house facilities or activities directly related to the safety of persons at the airport." Under current policy, grant assistance is limited almost entirely to engineering and construction of the priority items noted above -- aprons, runways, and taxiways. A special allocation of \$7.5 million (nation-wide) was made for the current year for projects designed to reduce general aviation use of major airports.

Federal Requirements

Of State Governments: California State Government is not directly involved in this program. (Some States require the channeling of FAAP funds through a State agency.)

Of Regional or Area Planning and Programming: Section 204 of

P.L. 89-754 applies. FAA has a firm policy of encouraging the inclusion of airports in comprehensive local and regional planning. This policy is strongly enunciated in an FAA circular, Planning the Metropolitan Airport System (AC 150/5070-2, 6/30/66). It has consistently sought to implement this policy in the Bay Area.

Of Applicant Agencies: ^{1/} (In addition to Section 204 of P.L. 89-754): Projects must be consistent with plans of public agencies for the development of the area in which the airport is located. Sufficient funds, from all sources, must be available for successful completion of the project and the agency involved must have legal authority to engage in the project. Clear title must be held to the landing area or satisfactory assurance given that such title will be acquired.

All projects must include "provision for installation of adequate landing aids -- land for the approach-light systems, in-runway lighting, high-intensity runway lighting, and runway distance markers -- as required for the safe and efficient use by aircraft." In addition, fair consideration of the interests of surrounding communities must be given.

The following assurance must be given to the FAA Administrator in writing:

1. The Airport will be available for public use on fair and reasonable terms;
2. The Airport will be "suitably operated and maintained, with due regard to climate and flood conditions;"
3. The serial approaches will be "adequately cleared of . . . hazards;"
4. "Appropriate action, including the adoption of zoning laws, has or will be taken . . . to restrict the use of land adjacent to the airport to activities and purposes compatible with . . . airport operation."
5. "All facilities developed with Federal aid and all those usable for the landing and take-off of aircraft will be available to the United States for use by military and naval aircraft . . . without charge, except, if the use by the military . . . [is] substantial, a reasonable share . . . of the cost [may be charged];"

^{1/} FAA policies and requirements are clearly set forth in Federal Aviation Regulations, Part 151, "Federal Aid to Airports."

6. "The airport operator or owner will furnish without cost to the Federal Government, for use in connection with any air traffic control activities or weather reporting activities and communication activities related to air traffic control, such areas of land or water, or estate therein, or rights in buildings of the sponsor as the Administrator may consider necessary or desirable for construction at Federal expense of space or facilities for such purpose;"
7. All project accounts and records will be kept in accordance with a standard system of accounting prescribed by the Administrator;
8. The airport operator or owner will submit such annual or special financial and operations reports as the Administrator may reasonably request; and
9. All airport records will be available for inspection.

A project may not be approved unless (1) there exists an approved "airport layout plan," (2) the development is necessary to meet a public need, (3) the Administrator is satisfied that the project is consistent with existing plans of public agencies for general area development, and (4) fair consideration has been given the interests of communities in or near the project location.

Project costs that can be shared include those for engineering surveys, preparation of construction plans and specifications, actual construction and its supervision, land and easement acquisition, and special administrative expense.

State of California Requirements

The State is not directly involved in the Federal program, except in an advisory capacity principally in the planning stages, although the State could itself be a recipient if it owned and operated airports. The State Division of Aeronautics is charged with the development of a statewide system of airports and administers a program of financial assistance. This involves project grants of up to 25 per cent to local agencies for airport development. Financing -- approximately one million dollars annually -- is provided by three cent per gallon tax on aviation fuel, with air carriers and agricultural aviation exempt. Thus far approved projects have dealt primarily with non-air carrier facilities and smaller airports. There is therefore little overlap or conflict with the FAA program.

Administrative Process for Grant Applications

The step-by-step procedure for the submission, review, and approval of applications is set forth in FAA Advisory Circular, Federal-Aid Airport Program -- Procedures Guide for Sponsors (150/5100-3, 6/30/66). Action or approval by FAA is required at several points, such as tentative allocation of funds on favorable review of an application, approval of the master plan, approval of engineering plans and specifications, and so on.

Since funds are never adequate to permit approval of all applications, FAA sets priorities as to type of project (e.g., runways) and relative urgency in terms of public service needs. At present, approximately one-half of total applications received are approved for Federal assistance. Many projects are thus carried out by local governments without Federal aid. For example, not more than 10 per cent of the costs of San Francisco International have been Federally funded.

Applications for program assistance are required to be submitted by an announced cut-off date. Those requesting fiscal 1968-69 funding must be received by FAA by December 8, 1967. Approvals will be announced by April or May, 1968, to permit applicant local governments to make needed budgetary provisions of local matching funds. Federal funds are available for expenditure as of July 1, 1968.

Budget Information

Total Authorization: Appropriations amounting to an aggregate of \$199,000,000 are authorized by law to be made available over a period of three fiscal years -- 1967-68, 1968-69, and 1969-70. An amount of \$66,500,000 is authorized for each year, continuing to be available until expended. An additional \$21,000,000 (\$7,000,000 each year) is authorized to serve "general aviation and to relieve congestion at airports having high density of traffic serving other segments of aviation."

State Allocation Formula: As soon as possible after July 1 of each fiscal year, 75 per cent of the amount made available for that year shall be apportioned among the several States, "one-half in the proportion which the population of each State bears to the total population of all States, and one-half in the proportion which the area of each State bears to the total area of all the States." Amounts so apportioned to a State shall be available for two fiscal years, at the end of which time (the fiscal year following the fiscal year in which the apportionment was made) funds unobligated will be added to a "discretionary" fund.

The remaining 25 per cent, plus the unobligated amounts mentioned above, as they become available, constitute the "discretionary" fund which "shall be made available for advance planning and engineering

grants, or for such approved projects . . . as the Administrator may deem most appropriate." This fund is also available for approved projects in national parks, recreation areas, monuments, and forests, and on other Federal lands for carrying out the national airport plan.

1967-68 Federal Appropriation: The total for the basic program, nationwide, is \$70,181,011. California's share of this is \$4,655,374 for 31 locations. This amount includes funds from the general aviation reliever account.

Historical Data and Program Trends

In the past, Northern California, including the Bay Area, has received approximately 60 per cent of the funds allocated to the State. There are indications that this may change in the future, as land acquisition costs increase in the southern section of the State.

At present funding and activity levels some 20 project applications, including final plans and specifications, are reviewed annually and result in grant agreement contracts. It is estimated that eight to ten projects annually will require ABAG review.

It is estimated by FAA that the volume of passenger service in the Bay Area will increase by 400 per cent by the year 1980 and the San Francisco Airport (with present basic facilities) will reach capacity by 1972-75. Additional capacity is available at the Oakland and San Jose airports to accommodate the anticipated 1980 demand.

It is apparent that a reduction in general aviation activities at the major air carrier airports will be required if these are to handle the passenger volumes estimated for 1980. This factor, plus a 200 per cent increase in general aviation aircraft in the Bay Area by 1980, indicates the need for additional general aviation airports in the San Francisco Bay Area. The FAA forecasts the need for at least six new airports to accommodate the 1980 demand. These are tentatively located at Fremont, Antioch, South San Jose, Richmond, San Francisco, and Solano County.

Federal Aid to Bay Area Airports

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1955	\$692,000	1962	\$165,000
1956	1,381,000	1963	1,987,000
1957	1,382,000	1964	2,760,000
1958	2,236,000	1965	2,045,000
1959	3,034,000	1966	493,000
1960	2,721,000	1967	1,871,000
1961	3,243,000	1968	814,000

Total for 14 years: \$24,824,000

Annual average: 1,750,000

Total projects: 88

Number of airports involved: 14

Cross Reference to Other Programs

1. Section 701 Planning Grants (HUD).
2. State of California Grants for Airport Development (State Division of Aeronautics).

Sources

1. Federal Airport Act, P.L. 89-647;
[Title 49 USC 1101-1120].
2. Federal Aviation Regulations, Part 151:
Federal Aid to Airports.
3. FAA Advisory Circular 150/5100-3,
Federal-Aid Airport Program-Procedures Guide for Sponsors (6/30/66).
4. FAA Advisory Circular 150/5072-2,
Planning the Metropolitan Airport System (9/17/65).
5. FAA Advisory Circular 150/5310-1,
Preparation of Airport Layout Plans (9/9/65).

ABAG Review Requirements (Proposed)

1. The applicant shall submit to ABAG a copy of FAA Form 1623, Request for Aid -- Federal Aid Airport Program, with attachments, at the time of its first submission to the FAA District Airport Engineer. These are due usually by early December for projects to be funded during the next succeeding fiscal year. Informal contacts may be made between ABAG and FAA at this time to identify those that might have regional or interjurisdictional impact, but ABAG's formal review would not be conducted at this time. (This is, in effect, a preliminary application; more than 50 per cent of these requests are denied at this point by FAA).
2. The District Airport Engineer will inform ABAG of action taken by FAA on each Request for Aid. Such action will normally be a denial or tentative approval and allocation of funds and will be taken by March or April, following.
3. ABAG will conduct its review of requests tentatively approved by FAA at this time. In addition to examining the project in relation to regional comprehensive, transportation, and airport systems needs planning, ABAG will inquire into any possible intergovernmental implications -- affect on adjacent areas outside the applicant's jurisdiction, Bay fill needs, opportunities for coordinated or joint services, and the like. The applicant has a total period of some eight to ten months to develop the formal Project Application after receiving tentative FAA approval. The ABAG review should be completed as early as possible during this period, because considerable time and cost is involved in formal application preparation -- detailed planning, design, financing, etc.
4. ABAG will submit its comments and recommendations to the applicant for inclusion in the formal Project Application (FAA Form 1624). This will normally be done by not later than December for projects being funded from current fiscal appropriations.
5. The applicant agency will provide ABAG with a copy of its formal application and the subsequent agreement with FAA. These are for ABAG information, not action, and complete the record.

CATEGORY: HIGHWAYS

Program: Highway Planning and Development

Authorizing Legislation: Federal-aid Highways Act; P.L. 89-574
[Title 23, USC]

Eligible Recipients: States (in some instances local agencies -- through the administering State agency).

Program Aids: Planning, research, and construction grants.

Responsible Federal Agency: Bureau of Public Roads
Federal Highway Administration
Department of Transportation
- (Administered through California State Division of Highways)

Program Description and Objectives

Basically, the purpose of the program is to assist the States in the development and construction of highway and road networks. The total program is comprised of several elements:

1. The planning, design, and construction of a 41,000 mile interstate highway system in cooperation with the States -- estimated completion in 1972 at a total cost of some \$50 billion.
2. The so-called "ABC" program of assistance to States in the planning, design, construction, and modernization of primary and secondary road systems.
3. Research and development activities -- in cooperation with States and local agencies -- in such areas as urban transportation, highway safety, maintenance costs, and the like.

Urban streets and freeways over which interstate and State system routes pass are included in the Federal-aid system.

Earmarked federal revenues -- primarily gas tax -- are allocated to the States and channeled through state highway agencies. The grant allowance for interstate system projects is based on a 90% federal and 10% state sharing with certain adjustments related to the amount of federal land ownership within the States. In California the federal share is currently 91.5%. The federal formula for the ABC program is

a basic 50% Federal-50% State, adjusted in California to a 59.4% Federal sharing.

One and one-half per cent of total program funds are earmarked for planning and research. This approximates \$5 million per year.

Eligible Recipient Agencies and Kinds of Projects

The State Division of Highways is the administering agency in California and all federal funds are allocated to it. In practice, the program is jointly conducted by the Division and the U.S. Bureau of Public Roads. Funds for the improvement of the secondary road system are allocated by the State to the counties according to the same fixed formula used by the Federal Government for allocations among the states (see below) rather than on a project or needs basis. Research and planning projects involving regional entities, such as the Bay Area Transportation Study Commission, are eligible for assistance under this program.

Any project involving system research, planning, route determination, right-of-way acquisition, design of new construction, alteration, or modernization may qualify. Maintenance or operational costs are excluded.

Federal Requirements

Of State Governments: A State, to participate (receive federal assistance), must have a formal state highway system or plan and a statewide administering agency competent and authorized to operate the system. Extensions to or alterations in that system must be approved by the Bureau of Public Roads for inclusion in the federal-aid system. Federal design and other standards are applied and enforced on a continuing basis through close cooperation between the staffs of the Bureau of Public Roads and the State Division of Highways.

In June of 1967 the Bureau of Public Roads issued interim procedures for achieving compliance with Section 204, 1/ which provide as follows:

- (a) The State highway department shall establish procedures for day-to-day communication with the "review agency" for the continuous exchange of information of mutual interest.

1/ Instructional Memorandum 21-12-67, by the Director of Public Roads and the Federal Highway Administrator.

(b) The highway department shall submit highway proposals -- involving the preparation of construction plans, the acquisition of right-of-way, or construction as defined in PPM 21-12 1/, within the applicable geographical boundaries of a metropolitan area, for which Federal-aid highway funds are to participate in any phase of the improvement -- to the review agency for review and comment, except for those projects that are, on June 30, 1967, in a status described below.

(1) Projects providing for the completion of construction of sections for which some phase of construction has been previously authorized need not be referred to the "review agency."

(2) Projects providing for construction on highway sections for which a substantial portion of the right-of-way has been acquired, with or without Federal funds, need not be referred to the "review agency" provided the detailed location and preliminary design have been previously approved by Public Roads and provided the proposal was developed in cooperation with responsible local officials.

(c) Highway proposals in a metropolitan area will involve a variety of projects, ranging from the improvement of a minor highway on the periphery to construction of a freeway through the core. The material furnished to the "review agency" will need to vary to suit the complexity of the proposal. It is not anticipated that the "review agency" will comment on engineering details but information should be provided with respect to the location, type of facility, right-of-way width, number of lanes, location of major interchanges and street crossings and closures. Maps, plans, and supporting study information similar to that developed for a public hearing and the data developed by the Urban Transportation Studies should permit the "review agency" to evaluate both the effect of the highway proposal on other community planning and programs, and the relationship of the highway to the orderly growth and development of the area.

(d) The State highway department shall furnish the division engineer (Bureau of Public Roads): (1) the comments and recommendations with respect to the highway proposal which were made by the "review agency," and (2) a statement that the comments and recommendations have been considered, or (3) a certification that the highway proposal was submitted to the "review agency" and that comments and recommendations were not received within

1/ Defined as all construction activity from right-of-way clearance through project completion.

the prescribed 60 day period. In addition, the State highway department is to furnish a statement giving the disposition of each comment or recommendations and, if applicable, reason for nonacceptance.

(e) The requirements of paragraphs (b), (c), and (d) above also shall apply to a change in location which would alter the effect on the land use planning, or design features which would alter traffic flow plans or environmental effect on the area.

(f) The State highway department, with the concurrence of the division engineer, may delegate to a highway organization of a city or county the responsibility for coordination and implementation of the requirements of this memorandum; however, the State highway department will be responsible for assuring all requirements are met and for furnishing the required material to the division engineer.

(g) The division engineer shall not approve a highway location or a State II program, or work authorization for a project involving the preparation of construction plans, right-of-way or construction until he has received and reviewed the material required by paragraph 5(d) and agrees that appropriate disposition has been made of any comments.

(h) The division engineer shall provide two copies of the material required by paragraph 5(d) together with a statement of his action to the Regional Federal Highway Administrator (one copy to be transmitted to the Regional Administrator of the Department of Housing and Urban Development).

The California Division of Highways has not yet established or announced formal procedures for compliance with the above.

Of Regional or Area Planning and Programming Agencies: The only requirement is observance of Section 204 of P.L. 89-754.

Of Recipient Agencies: Since the State is the recipient agency, the above set of requirements applies here.

State Requirements

Because the State is the recipient agency in nearly all projects it must observe Federal requirements recited above. Its procedures are summarized in the following section.

Administrative Process for Grant Application

The development and approval of a project proceeds through the following stages: 1/

1. The State Legislature approves the inclusion in the State freeway and expressway system of a highway link between two points. It may stipulate the route in very general terms, such as "west of Route 101."
2. The Division of Highways (District Office) announces the beginning of studies and holds public meetings to hear interested parties regarding need for the project and possible routing. All affected or interested public agencies are invited to appear and make presentations. Sources of planning information and channels of communications are established.
3. Extensive planning studies are conducted by the Division, in conjunction with local staffs, which include traffic analysis, land use, general community values, etc.
4. Feasible preliminary route locations (several) are defined, local jurisdictions informed, and local concurrence sought.
5. Alternate routes or corridors are analyzed and comprehensive planning study report completed. This shows general design features such as number of lanes, location of interchanges, overpasses, etc., and includes cost estimates for each alternate routing.
6. The study report is reviewed by Division of Highways headquarters offices and approved, with or without modification. Affected local agencies are advised of Division action and agree on time and place of hearings for presentation of alternates.
7. Public hearings are held by the District Office to discuss alternate proposals; interested agencies and persons are invited. The record of the hearing is sent to the State Highway Engineer who recommends a route location to the Highway Commission.
8. Public agencies along the route are notified. If they desire, a hearing by the State Highway Commission is scheduled.
9. The Commission adopts the route.

1/ See also, Procedure Used by the Department of Public Works and the California Highway Commission in Locating Freeways, October 1966.

10. Following adoption of the general route, detailed location mapping is done by Division staff.
11. Agreements are negotiated between the Division and cities and counties on "geometrics" of the project and closing of streets.
12. Right-of-way is purchased by the Division.
13. Construction takes place under Division direction.

Because the determination of highway routing in an urban area usually affects several city and county jurisdictions -- as well as numerous local or regional special districts -- great difficulty is encountered in reaching agreement. Plans of adjacent communities for land use and public facilities rarely coincide or articulate one with the other. The Division of Highways thus far has had the burden of bringing about agreement. This in large part results in the project development approval and approval process requiring from a minimum of one to as much as three years. The project is financed for construction as money becomes available and on the basis of statewide needs. One to three years are required for right-of-way acquisition before construction can begin.

Budget Information

Federal Authorization: The earmarked revenues -- four cents per gallon gas tax and others -- are deposited in a special trust fund and allocated among the States as described below. Income into the fund now exceeds \$4 billion annually.

State Allocation Formula: The State's allocation under the "ABC" Program is based on (1) population, (2) area, and (3) rural postal mail routes. The funds for the interstate assistance program are directly allocated on the basis of costs of constructing the system elements rather than by a fixed state formula.

State Financial Participation: Normally the State provides the funds for matching the Federal assistance. The State, of course, spends substantially more than this on highways and highway-related activities; total State expenditures for all such purposes in fiscal year 1966-67 were approximately \$548 million.

1967-68 Federal Appropriations: Specific appropriations are not made, but special fund income is estimated at more than four billion dollars annually.

California Maximum:

1966-67	Federal \$348 million; total \$896 million
1967-68	Federal \$386 million; total \$931 million
1968-69	Federal \$426 million; total \$862 million

Historical Data and Program Trends

As the following tabulation reveals, the nationwide expenditure trend is sharply upward.

	<u>Federal</u>	<u>State</u>	<u>Counties and Cities</u>	<u>Total</u>
	(In Millions of Dollars)			
1945	\$ 93	\$1,212	\$ 624	\$ 1,929
1950	500	2,835	1,271	4,606
1955	791	4,587	1,967	7,345
1960	3,063	6,055	2,367	11,485
1965	4,087	7,614	2,670	14,371

The relative federal sharing has increased markedly. It is expected that with the completion of the presently planned interstate system in 1972, or soon thereafter, equivalent or increased federal funding will be made available for further highway or related transportation development. The need for federal assistance will undoubtedly continue.

The magnitude of the program in the San Francisco Bay Area is reflected in the following tabulation: 1/

<u>Year</u>	<u>No. of Projects</u>	<u>Total Cost</u>
1959-60	48	\$ 84,900,000
1960-61	29	79,400,000
1961-62	42	85,000,000
1962-63	45	101,200,000
1963-64	28	85,900,000
1964-65	32	72,600,000
1965-66	24	84,800,000
1966-67	39	89,400,000
1967-68	32	83,400,000
1968-69	33	87,800,000

Of the more than 30 projects per year a number are for improvements of a nature not to require substantive ABAG review. Those of genuine regional or interjurisdictional concern will, however, involve significant

1/ The area covered differs from that of ABAG in that Santa Cruz County is included and Solano excluded.

ABAG staff time in obtaining an understanding of the project and conducting a meaningful regional review. These would number an estimated ten to fifteen projects each year.

Cross Reference to Other Programs

Highway Beautification, Title III of P.L. 89-285

Urban Planning Assistance

Urban Mass Transportation

Sources

Federal-Aid Highways Act, P.L. 89-574

Interim procedures for program review required by Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. Issued by the Bureau of Public Roads, June 23, 1967.

Procedure used by the Department of Public Works and the California Highway Commission in Locating Freeways. Issued by the Department in October 1966.

ABAG Review Requirements (Proposed)

The Bureau of Public Roads' interim procedures for regional agency review of highway construction projects in prescribing that there be a "continuous exchange of information of mutual interest" between the State highway agency and the regional review agency recognize the complexity of the project approval process. In general, the pattern of communications and relationships between the Division of Highways and ABAG should be much the same as those between the Division and a city or county in which a project is located. The following specific steps are recommended:

1. The Division of Highways (District Office) will inform ABAG of the beginning of studies on a planned project. Informal discussions should take place and an ABAG representative (staff) attend public meetings held in connection with the project.
2. ABAG will cooperate with the District Office staff doing the planning studies.
3. Once the alternate route locations and general design features -- number of lanes, location of interchanges, overpasses, etc. -- are developed, these will be referred to ABAG for its formal review and comments per Section 204. In its review, ABAG will give particular attention to the relationship of the project to comprehensive planning, land use implications, and total transportation planning of regional or interjurisdictional scope. It will not be concerned with design details or matters of purely local significance.
4. The ABAG comments will be submitted to the District Office and included in the study report that Office submits to the Division of Highways.
5. The Division will present the ABAG comments to the Bureau of Public Roads in accordance with the Bureau's interim procedures -- or subsequent instructions.
6. ABAG will be informed of actions or decisions taken by the Division and the Highway Commission on route location and general design features. ABAG representatives should attend and participate in public hearings on the project to present the regional viewpoint, as requested or deemed desirable.
7. Throughout the review process ABAG staff will consult with and seek the comments of the BATS staff, utilizing data available from that study.
8. ABAG staff will give requested information and assistance to affected member jurisdictions in relating local requirements to regional planning needs.

CATEGORY: TRANSPORTATION - HIGHWAYS

<u>Program:</u>	Highway Beautification
<u>Common Name of Program:</u>	Landscaping and Scenic Enhancement
<u>Authorizing Legislation:</u>	Federal Aid Highway Act of 1966; P.L. 85-767, amended by P.L. 89-285 89-574 [Title 23 USC 319]
<u>Eligible Recipients:</u>	States
<u>Program Aid:</u>	Project Grants
<u>Responsible Federal Agency:</u>	Bureau of Public Roads Federal Highway Administration Department of Transportation (Through the State Division of Highways)

Program Description and Objectives

Under this program Federal funds are made available, as a part of the construction of Federal-aid highways, to cover "costs of landscape and roadside development, including acquisition and development of publicly owned and controlled rest and recreation areas and sanitary and other facilities reasonably necessary to accommodate the traveling public" (Title III, Section 319 of subject Act). The program is administered through the California State Division of Highways. Funds are allotted among the States on the same ratio as are highway construction funds, up to a maximum of three percent of the latter. No State matching funds are required.

Objectives include not only benefiting the highway users, but also giving due recognition to adjacent community values and needs.

Eligible Recipient Agencies and Kinds of Projects

The State is the recipient agency. Work is undertaken on a project basis to create safety rest areas and scenic rest areas and undertake roadside planting. The planting and landscaping represents combinations of:

1. Roadside landscaping undertaken primarily for esthetic or scenic enhancement reasons;
2. Functional planting to prevent erosion, reduce headlight glare, abate noise, and serve similar objectives; and
3. Tree planting undertaken primarily for esthetic purposes.

Projects are restricted to the actual highway right-of-way. In the landscaping of approaches for overpasses or underpasses on land owned by or dedicated to a local government a right-of-way or right to enter and construct is obtained and may later be relinquished.

The related programs of control of outdoor advertising and junk yards have not to date been designated as falling under Section 204. Because of their direct bearing on regional and local government land use planning, a regional review would, however, seem desirable.

Federal Requirements

Of State Governments: The State is required to develop an inventory of program needs and present this to the Bureau of Public Roads. This was done at the beginning of the program. It is a working document, not a published or formal plan. Sections of routes are noted in a rough priority order. The landscaping must be along routes included in the Federal-aid highway system and project design must be approved by the BPR.

Of Regional or Area Planning and Programming: Section 204 of P.L. 89-754 applies.

Of Applicant Agencies: See State Government above.

State Requirements

See administrative process below.

Administrative Process for Grant Project Application

Increasingly, consideration is given to community values, including esthetic values, in the routing of highways and in their design. Landscape architects work with the highway planners and engineers from the time of preliminary route selection so that best use can be made of the natural features of the landscape.

After the final route is selected, the design set, and construction well in progress, landscaping projects are developed and preliminary landscape plans prepared by the State. These plans are made available to interested or affected parties and agencies such as schools, hospitals, and municipalities adjacent to the route. This procedure is not formalized to the same degree as route selection, but an effort is made to obtain and respond to community wishes. Following this, plans are put in final form, BPR approval obtained, and a landscaping contract let.

The scheduling of the program poses problems in that the State does not usually know what its Federal allotment will be until November of the fiscal year. Preliminary plans must be developed by January or February for projects to be finally approved by BPR not later than June.

Budget Information

Total Federal Authorization: The Act authorized the appropriation of not to exceed \$120,000,000 per annum for fiscal years 1966 and 1967; presumably the same will be authorized for 1968. This is estimated at three per cent of the Federal-aid to highways expenditure. In fiscal years 1966 and 1967 only \$80,000,000 were appropriated. These are direct appropriations, not derived from gas tax revenues. As noted earlier, no State matching is required. Additional expenditures could be made for beautification purposes from highway construction aid funds with State-Federal matching as provided under the construction program.

State Financial Participation: None.

1967-68 Federal Appropriation: Not made as of November 1, 1967, but expected to approximate \$85,000,000.

California Maximum: Approximately \$6,000,000.

Historical Data and Program Trends

The program is now in its third year and has continued at the \$80,000,000 level with California's share somewhat in excess of \$6,000,000 per annum. Thus far some States have not used their total allotments and California has benefited from the reallocation of a portion of these balances.

Experience to date suggests that at present program levels some ten to twelve projects are approved each year for the Bay Area having a total value of approximately \$2,000,000.

Cross Reference to Other Programs

Highway Planning and Development, P.L. 89-574.

Sources

1. Public Law 89-285 (1965)
2. Highways to Beauty (by BPR, 1966)
3. BPR Report for Fiscal Year 1966

ABAG Review Requirements (Proposed)

In its review of route selection and general design of highway construction projects, ABAG will have an opportunity to analyze and comment on the impact of highway construction on regional open space and comprehensive planning and community values generally. Its review of landscaping projects under the present program will provide an additional opportunity to influence the beautification of highways in the Bay Area. The concern here is for the view both of and from the highway and is not limited to the immediately adjacent area or the cities through which the route actually passes.

The following review procedure is recommended:

1. The Division of Highways will inform ABAG of the projects in the Bay Area for which funds have been allocated (normally in November or early December).
2. Informal discussions will be held between Division staff working on preliminary project plans and ABAG staff.
3. ABAG will formally comment on the preliminary plans when submitted to it by the Division (in January and February).
4. The Division will consider ABAG comments in formulating final plans and include these comments -- and the Division's response to them -- in the final plan submission for Bureau of Public Roads approval.

CATEGORY: TRANSPORTATION - URBAN MASS TRANSPORTATION

Program: Urban Mass Transportation

Authorizing Legislation: Urban Mass Transportation Act of 1964;
P.L. 88-365 as amended by P.L. 89-562.
[Title 49 USC 1601-1604, 1607-1611]

Eligible Recipients: States and instrumentalities thereof
Local general governments

Program Aid: Capital grants and loans
Research or demonstration grants
Technical studies grants
Fellowship grants

Responsible Federal Agency: Urban Transportation Administration
Office of Metropolitan Development
Department of Housing and Urban Development

Program Description and Objectives

The purpose of the program is to encourage the planning, development, and establishment of comprehensive mass transportation systems, both public and private, in metropolitan and other urban areas. The assistance extends to the development of improved facilities, equipment, techniques, and methods. An objective is to foster economical and desirable urban development, with emphasis given areawide systems. Assistance is provided to public agencies in financing such systems -- which may be operated by either public agencies or private companies. It should be noted that Federal funds are available for urban transportation planning under the HUD 701 program.

The several categories of aid and allowances are as follows:

Capital Project Grants: An eligible project would involve the acquisition, construction, and improvement of facilities and equipment for use -- by operation, lease, or otherwise -- in mass transportation service in urban areas. It would coordinate such service with highway and other area transportation. Authorized facilities and equipment may include land (but not public highways), buses, and other rolling stock, and other real or personal property needed for a mass transportation system.

The grant allowance cannot exceed two-thirds of the "net project cost," which is that portion of the total project costs that "the Secretary, on the basis of engineering studies, studies of economic feasibility, and data showing the nature and extent of expected utilization . . . [determines] cannot be

reasonably financed from revenues." The remainder of the "net project cost" shall be provided from sources other than Federal funds.

Emergency Project Grants: "Prior to July 1, 1967, Federal financial assistance for mass transportation projects may be provided . . . where (1) the program for the development of a unified or officially coordinated urban transportation system . . . is under active preparation although not yet completed, (2) the facilities and equipment . . . can reasonably be expected to be required . . ., and (3) there is an urgent need . . ." The grant allowance cannot exceed 50 per cent of the net project cost, but if all planning requirements are "fully met within three years of the execution of the grant agreement, an additional grant may then be made to the applicant equal to one-sixth of the net project cost."

Research Grants: Grants may be authorized for the establishment or carrying on of comprehensive research in problems of transportation in urban areas by public and private institutions of higher learning, to a maximum allowance of two-thirds.

Technical Study Grants: Grants may be made for the planning, engineering, and designing of urban mass transportation projects. "Activities assisted under this section may include (1) studies relating to management, operations, and capital requirements; (2) preparation of engineering and architectural surveys, plans, and specifications; and (3) other similar and related activities . . ." The maximum allowance is two-thirds.

Fellowship Grants: Grants are also authorized for fellowships for training of personnel employed in managerial, technical, and professional positions in the urban transportation field -- not to exceed \$12,000 nor 75 per cent of the costs.

Project Loans: The Secretary may approve loans where revenues and other local funds are sufficient to pay the entire cost of capital improvement and other financing is not available on reasonable terms -- not exceeding four per cent. This assistance has been little used.

Eligible Recipient Agencies and Kinds of Projects

State and local governments, and instrumentalities thereof, are eligible for grants and loans under this program provided the requirements set forth below are met. These would include counties, cities, special districts, and public corporations established under

State law. As indicated in the preceding paragraph, projects may include acquisition, construction, facilities, equipment, technical studies, personnel training, and research. They cannot include operating, maintenance, or management costs. A loan and a grant cannot be made for the same project.

Federal Requirements

These are set forth in a clear and comprehensive manner in the Urban Mass Transportation Planning Requirements Guide, issued by HUD. The need for a regional approach is strongly emphasized. These guidelines pre-dated the requirements of Section 204 of P.L. 89-754 which also apply to this program.

An applicant agency must show that it has "(1) the legal, financial, and technical capacity to carry out the proposed project, and (2) satisfactory continuing control, through operation, lease, or otherwise, over the use of the facilities and equipment."

The legislation requires, among other things, assurances of fair treatment of employees, continuation of existing bargaining rights and agreements, and competitive bidding on contracts. The Secretary when approving grants or loans must consider the inclusion of air pollution prevention and control measures.

Administrative Process for Grant Applications

The Regional Office of HUD functions only in an informational and referral capacity. Application review, evaluation, and approval is performed in Washington, D.C. for all of the elements of this program.

A. Capital Project Grants

HUD has issued a publication, Capital Grants and Loans for Urban Mass Transportation, Information for Applicants (October, 1966), which, with supplements, outlines the application review process. The following summarizes its contents and sets forth additional information.

The Application: A formal application format has not been developed, but HUD expects an application (to be submitted in five copies) to contain the following:

1. A formal resolution by the governing body of the applicant jurisdiction authorizing a designated official to file an application.
2. Assurance of compliance with HUD regulation under Title VI of the Civil Rights Act of 1964.

3. A legal opinion certifying to the authority of the applicant agency to execute the project in every respect.
4. A project description.
5. A project justification as to need, benefits, and contribution to area planning objectives and "unified or officially coordinated public transportation system."
6. Cost estimates (gross and net) and financing by source.
7. Specific data on relation of project to area comprehensive and transportation planning and the current status of such.
8. Specific data on the overall transit improvement program for the area and coordination of the area mass transportation system.
9. Assurance of continued use of project facilities for public purposes.
10. Information on the affect of the project on transportation system employees in the area and the needed relocation of families and business concerns.
11. Certain assurances regarding land acquisition procedure designed to protect the property owner.

Applications are accepted by HUD at any time, there being no cut-off date. There is a substantial backlog of pending applications.

Application Review: Within HUD the application is reviewed and approved by the Division of Planning Standards and Project Development and the Assistant Secretary for Metropolitan Development. A clearance from the Department of Labor is required (Section 13 of the Act) regarding matters of employee protections. The review process may take from sixty days to several years, depending on the nature or complexity of the project. The review embraces questions of need, adequacy of planning, financial feasibility, engineering, and legal requirements.

Project Approval: Assuming the project meets all the above requirements, approval is based on its relative priority among all pending projects in that funds are not sufficient for all. The percent of total net costs to be met by Federal grants are often -- particularly on very large projects such as those of BART -- less than the two-thirds maximum allowed by law.

Contract Execution: After project approval and prior to release of any Federal funds a contract is executed between HUD and the applicant.

B. Research Grants (Urban Mass Transportation Demonstration Program)

Complete information on how to apply for a research or demonstration grant is contained in a HUD Information for Applicants publication (October, 1966).

A preliminary application is required, followed by a visit by a HUD representation to the project site. If the project appears feasible a formal application is invited. The application is reviewed with special attention given to such matters as general credibility, usefulness of results in other than the demonstration area, plans for communication of the results on a broad basis, and competence and resources of applicant to conduct a successful project.

The review and approval process normally requires three to six months. Applications are received and acted upon year around. The funding is "no-year" or open-end so that a project of up to three years duration can be approved. Congressional appropriations are made one year in advance and do not lapse, thus permitting desirable advance planning.

C. Grants for Technical Studies

The application preparation and review process is clearly described in a HUD publication, Grants for Technical Studies for Urban Mass Transportation, Information for Applicants (July, 1967). The requirements and procedures are very similar to those for capital grant projects. Only a public body may apply, but, on HUD approval, the study may be conducted by a third party under contract. The time required for approval may be as short as sixty days -- Labor Department approval is not required.

D. Fellowship Grants

The application process is a very simple one whereby the applicant agency nominates a fellow giving his qualifications and naming the university and program desired. It must agree to paying 25 per cent of the university costs and the fellow's salary and expenses. Grants are for one year. The program being new, no grants have as yet been approved. Seminars of short duration for transportation agency officials may also be financed under this program.

Requirements and procedures are set forth in the HUD publication, Grants for Urban Mass Transportation, Information for Applicants (August, 1967).

Budget Information

Total Federal Authorization: There was authorized to be appropriated for the fiscal year 1964-65, \$75,000,000; for the fiscal year 1965-66, \$150,000,000; and for each fiscal year thereafter until June 30, 1969, \$150,000,000. Any amount so appropriated remains available until expended and any amount authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year.

Loan funds were provided under Title 42 USC 1493, which authorized to be appropriated \$50,000,000 as a revolving fund for loans (maximum 40 year pay-off at one-half of one per cent over average interest of outstanding Treasury notes).

Fellowship grants are limited to \$1,500,000 and research grants to \$3,000,000 per annum from the funds appropriated for grants in the program.

Formula for Allocation to the States: Grants under this program (other than relocation payments) for projects in any one State may not exceed in the aggregate twelve and one-half per cent of the total amount appropriated: "Provided, that the Secretary may, without regard to such limitation, enter into contracts for grants under [the capital grant] aggregating not to exceed \$12,500,000 . . . in States where more than two-thirds of the maximum grants permitted in the respective State under this section has been obligated."

Not more than twelve and one-half per cent of the fellowships shall be awarded for the training of employees of mass transportation companies in any one State.

State Financial Participation: None.

1967-68 Federal Appropriation: Not made as of June 8, 1967.

California Maximum (1967-68): Not established yet.

Historical Trend

Capital Project Grant Program: In terms of dollar commitment, the history of the project grant program has been as follows:

<u>Fiscal Year</u>	<u>Commitment</u>
1965	\$ 50,700,000
1966	106,800,000
1967	120,900,000
1968	123,500,000*
1969	164,000,000 (Estimate)

*Program level; only \$1,700,000 actually committed as of 10/15/67.

The approved and pending Bay Area projects are shown on the attached tabulation. It will be noted that, largely due to BART, the Bay Area has received nearly 90 per cent of the funds thus far allocated to California.

Based on experience to date from three to six project applications can be expected annually for the Bay Area. The BATS, West Bay Rapid Transit Authority, and Marin County Transit District studies now in progress, added to possible BART extensions, suggest considerable future activity in this field.

Research (Demonstration) Grants: This program was initiated in 1961, since which time \$44,500,000 have been committed. In fiscal 1967, \$7,400,000 were obligated and in 1968, \$8,500,000 were authorized of which an estimated \$7,000,000 will be appropriated and obligated. The program is expected to be expanded.

The following are the approved Bay Area projects:

1. A joint AC Transit-San Francisco MUNI Project of coordination with BART; Federal share \$528,332, local share \$264,168; approved in 1965.
2. Port of Oakland air cushion vehicle study; Federal share \$787,817, local share \$393,909; approved in 1965 and now completed.
3. BART project to test new concepts in rapid transit design and operation; Federal share \$7,419,333, local share \$3,509,667; approved in 1963, extended in 1966.
4. BART fare collection equipment test; Federal share \$1,133,333, local share \$566,667; approved in 1965.

The only other California projects to date have been two in the Los Angeles area involving Federal funding of \$3,200,000.

Technical Studies Grants: For the first year of this program, fiscal 1967, HUD committed \$3,100,000. The program level for fiscal 1968 is \$5,500,000 and the 1969 anticipated level is \$9,500,000. There has been only one project in California, a definitive plan for a rapid transit system for the Los Angeles area, for which a grant of \$975,600 was made. On a national basis only ten projects have been approved. A second Los Angeles application is now pending.

Fellowship Grants: This is a new program. In fiscal 1967 only \$100,000 was committed to finance two two-week seminars. The fiscal 1968 program level is set at \$1,000,000 but none of this has been obligated. Universities have yet to develop programs tailored to the special needs of such officials.

Approved Capital Grant Projects
Within Bay Area
(Through September 30, 1967)

<u>Grantee</u>	<u>Date Approved</u>	<u>Purpose</u>	<u>Project Cost</u>	<u>Federal Grant</u>
Vallejo	2/65	Bus purchase	\$ 115,500	\$ 77,000
A-C Transit	5/65	Bus radio system	269,000	179,333
A-C Transit	4/66	Bus purchase	820,000	546,666
San Francisco	5/66	Subway plazas	39,683,261	20,302,011
BART	8/66	Alameda line	34,098,000	13,100,000
Berkeley	6/66	BART extension	7,100,000	4,733,000
BART	10/66	Various projects	<u>45,204,850</u>	<u>13,200,000</u>
Total:			\$127,330,611	\$52,138,010

Note: In the remainder of California six grants have been made in the total amount of \$6,400,000.

Pending Capital Grant Projects

Within Bay Area

(As of October, 1967)

<u>Applicant</u>	<u>Date of Application</u>	<u>Purpose</u>	<u>Project Cost</u>	<u>Federal Grant Requested</u>
Palo Alto	7/66	Bus purchase	\$ 30,000	\$ 20,000
Berkeley	8/66	Subway extension	20,814,700	9,144,700
BART	5/67	Various projects	59,995,550	26,000,000
San Francisco	5/67	Radio system	215,000	143,333
Menlo Park	2/67	Dial-A-Bus system	<u>27,209</u>	<u>13,939</u>
Total:			\$81,082,459	\$35,321,972

Note: Eight applications totaling \$4,500,000 are pending from other parts of California.

Cross Reference to Other Programs

Urban Planning Assistance

Sources

1. Urban Mass Transportation Act of 1964, as amended;
P.L. 88-365; 49 U.S.C. 1601 et.seq.
2. Referenced HUD publications.
3. Special reports issued by Urban Transportation
Administration, HUD.

ABAG Review Requirements (Proposed)

Because of the rather limited involvement of the Regional Office of HUD and the absence of a State role in this program, the ABAG review function assumes special importance in representing regional interests. The ABAG review procedure should include the following steps:

1. The applicant agency will consult with ABAG at the point of beginning the preparation of an application (a) to alert ABAG of its intentions and (b) to obtain guidance as to ABAG's review requirements and policies.
2. On completion of the draft application -- or that portion required for ABAG review purposes -- it will be submitted to ABAG for review.
3. ABAG staff will relate the project to comprehensive, land use, and overall transportation planning for the region and in so doing consult with BATS staff. ABAG comments will be submitted to the applicant agency.
4. The applicant will include ABAG comments with the formal project application to HUD, providing ABAG with a copy of the final application.
5. The applicant will inform ABAG of the final action taken on the request.

VII. WATER DEVELOPMENT AND LAND CONSERVATION

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CATEGORY: WATER DEVELOPMENT AND LAND CONSERVATION

Program: Beach Erosion Control and Flood Prevention

Common Name of Program: Water Resources Development Projects

Authorizing Legislation: Original legislation dates back to the River and Harbor Act of 1824; recent significant amendments are included in the Flood Control Act of 1948 and the River and Harbor Acts of 1960 and 1962 (Title 33 USC 426-426h).

Eligible Recipients: States
Local General Governments
Special Districts
Public or Private Non-profit Agencies

Program Aid: Project Grants

Responsible Federal Agency: U.S. Army Corps of Engineers
Department of Defense

Program Description and Objectives

The legislative authority for the Army Corps of Engineers involvement in the planning and constructing of water-related projects dates back to 1824. Basically, the Corps' scope of activity consists of three major construction programs. These are: ^{1/}

1. Beach Erosion Control: The primary objective of these projects is to prevent the erosion of beaches. This is accomplished through replenishment techniques and through the construction of dunes, groins, and sea-walls. The Federal share of project costs is authorized to be up to 50 per cent for the protection of publicly owned beaches and up to 70 per cent for publicly owned parks and conservation areas.

^{1/} Although Budget Bureau Circular No. A-82 lists only beach erosion and flood control projects, navigational projects are included in this review because the administrative process is similar for all three. Also, it is quite likely that ABAG will be asked to comment on any proposed Bay Area navigation projects.

2. Flood Control: The Federal share of flood control projects will normally be 100 per cent. However if local agencies request reservoir alterations for water supply, recreation, or other purposes, they may be required to finance part of the cost (see below). In addition, local interests will be required to furnish without cost to the Federal Government all necessary lands, easements, and rights-of-way.

Navigation Projects: The primary objective of navigation projects is to assist in the development, conduct, and safety of water-borne commerce. Navigational projects include:

- a. Commercial Navigation: Normally the Federal Government will pay the entire cost of constructing and maintaining a commercial navigation project. Non-Federal interests are generally required to finance the cost of terminal facilities, dredging of berthing areas, and the acquisition of necessary lands, easements, and rights-of-way.
- b. Recreational Navigation: Federal assistance is available for up to 50 per cent of the cost of constructing recreational navigation facilities (breakwater, entrance, and main access channels, and public anchorage basins) and 50 per cent of minimum basic on-shore recreational facilities (parking, picnicking, safety, and sanitary facilities).

Flood control projects, while primarily intended to prevent flooding, often result in construction of multi-purpose reservoirs. These reservoirs, in addition to preventing floods, may be used for hydro-electric power, irrigation, soil conservation, municipal and industrial water supply, water quality control, and the enhancement of fish and wildlife services. If a construction project is designed to facilitate these additional purposes, local interests may be required to finance part of the additional costs. These cost-sharing provisions are also applicable, where appropriated, to the other construction programs. ^{1/}

^{1/} It is not possible to specify, in advance, the actual distribution of Federal-local costs because practically all projects require special congressional authorization. Also, the local share may be offset by a grant from another Federal agency -- for example, the Bureau of Outdoor Recreation may finance part of recreational development costs.

In addition to the above-mentioned programs, the Corps also is authorized to plan and construct "small" water resources development projects. Small projects do not require specific congressional authorization; they must, however, represent a complete solution to the water-related problem involved and not commit the Federal Government to any additional improvements to insure effective operation and maintenance.

Eligible Agencies and Kinds of Projects

The literature relevant to the Corps' program makes no mention of the type of agency eligible to participate in development projects. It does, however, contain the general requirements that "local interests" must meet. These requirements, commonly known as the "a-b-c" provisions, are considered applicable to all small projects. They are also applicable to major projects, unless otherwise stipulated in the authorizing legislation.

Local interests, prior to the initiation of construction, must provide assurances to the Secretary of the Army that they will:

- a. Provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the project;
- b. Hold and save the United States free from damage due to the construction works; and
- c. Maintain and operate the works after completion in accordance with regulations prescribed by the Secretary of the Army.

Although the type of agency that must provide these assurances is not specified, normally a State agency, local government, or a special district -- such as a flood control district -- will be involved. In some instances, specified enabling legislation may be required of the State's Legislature before a project can be undertaken.

The types of projects -- beach erosion control, flood control, and navigation -- that can be undertaken, have already been identified. Small projects can be undertaken on the authorization of the Chief of Engineers if they are within the following financial limits:

1. Flood control projects with a total cost of less than \$1,000,000;

2. Beach erosion control projects with a total cost of less than \$500,000; and
3. Navigation projects with a total cost of less than \$500,000.

Federal Requirements

Of State Governments: The Governor must approval all major projects before they can be initiated. The Governor, or a State agency designated by him, must approve all small projects.

Of Regional or Area Planning and Programming Agencies: Section 204 of P.L. 89-754 applies.

Of Applicant Agencies: In addition to meeting the "local interests" requirements, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

The variety of projects that can be undertaken by the Corps of Engineers precludes the establishment of any specific criteria. However, in the planning of a project the Governor and a number of different State agencies will be involved. Normally, the Departments of Water Resources, Parks and Recreation, and Fish and Game, as well as the Division of Highways will participate in the planning process. Other interested agencies may be included as is appropriate.

Administrative Process for Grant Applications

The complex nature of Corps projects relegates any evaluation of the time required for the administrative processing of a major project to the realm of uncertainty. Authorization may require from two to twenty years. In any event, a major project must pass through an extended review process encompassing all levels of government. Smaller projects may be approved in a relatively short period of time (one to two years).

The initiation of a major water resources project usually begins with local interests contacting their Congressman and asking for a study of the proposed project area. Following Congressional approval of the request, the Corps of Engineers will carry out an in-depth study of the proposed area and present its findings to the appropriate Congressional committee. Following committee review,

a bill will be drafted authorizing the construction of the project.

The description above is a greatly simplified version of the review process which includes:

1. Initiation of Action by Local Interests: Local interests contact their Congressman and request Federal assistance in the development of a water resources project.
2. Action by Congressman (Senator or Representative): Upon receipt of a request, the Congressman notifies either the Senate or House Public Works Committee and requests the authorization of a study of the proposed area.
3. Action by Public Works Committee: If the Committee agrees that the request is valid, it passes a resolution authorizing the study. The actual authorization of a study requires Congressional approval and this can be accomplished either by inclusion in an omnibus river and harbor bill or by a separate bill.
4. Assignment of Investigation by Chief of Engineers: ^{1/} After Congressional approval, the Chief of Engineers assigns the study to the appropriate Division Engineer who, in turn, assigns the study to the appropriate District Engineer. Before the actual study can begin, however, Congress must appropriate funds for the purpose.
5. Public Hearings: Following the appropriation of investigation funds, the District Engineer holds public hearings in all appropriate localities. Notices of the hearing are sent to all interested local agencies.
6. Investigation by District Office: The District Office conducts a detailed study of the area and formulates a series of alternative plans for its improvement. This data is presented to the District Engineer for his review. The District Engineer may hold additional public hearings at this point to determine local preferences between alternatives.

^{1/} Most Bay Area studies are assigned to the Corps' San Francisco District Office; however, those involving Contra Costa and Solano Counties (east of Carquinez Strait) are assigned to the Sacramento District.

7. Review by Division Engineer: The Division Engineer reviews the study report and transmits it to the Board of Engineers for Rivers and Harbors. Also at this time, a public notice is sent to all interested parties informing them of the Corps' findings.
8. Review and Public Hearings by the Board of Engineers for Rivers and Harbors: The Board, an independent agency with its own staff, is required by law to review all Corps proposals. Prior to making its recommendations to the Chief of Engineers, the Board may hold public hearings.
9. Review by Chief of Engineers: Upon receipt of the Board's comments, the Chief of Engineers conducts his own review of the proposal. Once the Chief's review is completed, copies of the proposal, along with the Board's and Chief's comments, are sent to the Governors of affected States and to interested Federal agencies for a formal review.
10. Review by Secretary of the Army: The Secretary of the Army, following State and Federal agency review, reviews the proposal and submits it to the Bureau of the Budget.
11. Review by Bureau of Budget: At the Bureau, a determination is made of the proposed project's relationship to the President's fiscal program and the proposal is sent to Congress.
12. Project Authorization by Congress: The Public Works Committees of both the House and the Senate review the project and hold public hearings if necessary. Following this a bill is drafted for consideration by both the House and the Senate. Authorization for the construction of projects normally is included in an omnibus river and harbor bill.
13. Assurances of Local Cooperation: Once the planning and construction of a project has been authorized, the District Engineer requires local interests to furnish formal assurances of financial cooperation. If assurances satisfactory to the Secretary of the Army are not provided within five years, a project is considered inactive and possibly de-authorized.
14. Request for Planning and Construction Funds: Before the planning and construction of an authorized project can begin, funds must be appropriated by Congress. This requires a secondary review by the Bureau of the Budget prior to submission to the Appropriations Committee.

15. Appropriation of Funds: Following Congressional Review, the funds for a project are included in the Army's annual Civil Works Appropriations Act.
16. Preparation of Detailed Plans and Construction: Once all the above steps have been successfully completed, the actual work on constructing a water resources project can begin.

In contrast, the authorization of a small project is a relatively simple process. It is initiated by a request from a local public agency for a reconnaissance study. At this time, the District Engineer sends a representative to survey the area. If it appears that the problem can be solved within the financial limitations of the small project authorization, a detailed study will be undertaken, subject to available funds.

Prior to the preparation of a study, other State and Federal agencies are notified and asked to participate in the planning process. A report once prepared is forwarded to the Division Engineer for his review. The Division Engineer, in turn, will ask for the formal comments of all appropriate State and Federal agencies. ^{1/} The report is then sent to the Chief of Engineers for final approval and, if funds are available, project authorization.

The District Engineer, following the Chief's review, notifies local interests of the decision. If it is favorable, local interests will be required to provide formal assurances of financial support before construction can begin.

Budget Information

Total Federal Authorization: Each major project must be authorized by Congress. The Secretary of the Army is authorized to allocate funds for small projects from the annual civil works appropriation, up to the following limits:

1. \$10,000,000 for beach erosion control;
2. \$25,000,000 for flood control; and
3. \$10,000,000 for navigation.

^{1/} The Division Engineer, at his discretion, may hold public hearings. This, however, is rarely done.

Formula for Allocation to the States: None

State Financial Participation: The State's financial participation is dependent on the nature of each authorized project.

1967-68 Federal Appropriations: The annual appropriation for civil works construction has been averaging approximately \$1 billion in recent years. (The portion allocated for small projects was not available.)

Historical Data and Program Trends

The active civil works program of the Corps (nationwide) includes over 3,800 projects, representing a total estimated cost of \$30 billion. There have been 151 authorized projects in California, of which 94 have been completed, 30 are under construction, and another 27 are authorized but not yet funded. The Bay Area share of Corps projects is shown in the table below.

Corps of Engineers Bay Area Projects

<u>Category</u>	<u>Estimated Federal Cost</u>	<u>Estimated Local Cost</u>
1. Beach Erosion Control		
a) <u>Completed:</u> None	---	---
b) <u>Under Construction:</u> None	---	---
c) <u>Authorized:</u> None	---	---
2. Flood Control (Multi-Purpose Reservoir)		
a) Completed (3)	21,183,000	6,730,000
b) Under Construction: (4)	97,054,000	43,416,000
c) Authorized: (3) ^{1/}		
1. Knights Valley Reservoir	190,000,000	---
2. Napa River Basin	16,800,000	---
3. Sonoma Creek Basin	10,600,000	---

^{1/} Federal-local cost distribution not available.

3. Navigation

a) <u>Completed</u> : (11)	66,760,000	20,768,000
b) <u>Under Construction</u> : None	---	---
c) <u>Authorized</u> : (1)		
San Francisco Bay to Stockton Channel	50,600,000	14,700,000

4. Small Projects (Completed) 1/

a) <u>Beach Erosion Control</u> : None	---	---
b) Flood control: (5)	3,096,000	1,415,000
c) Navigation: (3)	338,500	248,500
TOTAL	\$456,431,500	\$87,265,500

Cross-Reference to Other Programs

1. Bureau of Reclamation -- irrigation and reclamation projects.
2. Soil Conservation Service -- watershed projects.

Sources

1. Water Resources Developments: Functions and Programs of the Corps of Engineers (Office of the Chief of Engineers: May, 1967)
2. Water Resources Development in California (South Pacific Division, Corps of Engineers: January, 1967)

1/ It is estimated that two to three requests are received each year from Bay Area agencies. Currently four proposed projects are under study.

ABAG Review Requirements (Proposed)

ABAG's review function for water development and land conservation applications should encompass more than an observation that the proposed project is not in conflict with regional planning or plan elements. It is recommended that ABAG become an active partner in the planning of Bay Area projects. While technical planning is beyond the limits of ABAG's resources, procedures should and can be established to insure that the development of adequate recreational facilities is included as an integral part of the overall planning process. In addition, measures should be taken to assure that the Bay Area's aesthetic qualities are preserved.

ABAG should request each Federal agency to notify it at the time a proposal is first received. This can be accomplished without difficulty, as procedures already exist for the frequent exchange of information between Federal and State agencies and could be extended to include ABAG. Once notification has been received, ABAG staff should meet with both the applicant and the Federal agency to explain ABAG's role and to establish a basis for the continuing exchange of pertinent information.

Once planning or project authorization has been received, ABAG should request State and Federal agencies to keep it informed of progress. In most cases, this is presently done through inter-agency memoranda or bi-annual reports. In those cases where progress reports are not normally prepared, informal communication channels could be established to keep ABAG informed.

At the completion of the planning process, the complete project document (or a summary) should be submitted to ABAG for formal review and comment to fulfill the requirements of P.L. 89-754. This review should not be of a technical nature, but rather of the project's expected impact on the Bay Area.

CATEGORY: WATER DEVELOPMENT AND LAND CONSERVATION

<u>Program:</u>	Irrigation and Reclamation
<u>Common Name of Program:</u>	Small Reclamation Projects
<u>Authorizing Legislation:</u>	Small Reclamation Projects Act of 1956, P.L. 84-984, amended by P.L. 85-47 and P.L. 89-533 (Title 33 USC 421b, 421c, 422a-k).
<u>Eligible Agencies:</u>	States Local General Governments Special Districts
<u>Program Aid:</u>	Project Grants Long-Term Loans
<u>Responsible Federal Agency:</u>	Bureau of Reclamation Department of the Interior

Program Description and Objectives

This program authorizes the Secretary of the Interior to provide financial assistance to States and qualified local agencies for small irrigation projects which may take one of two forms:

1. A complete irrigation undertaking (similar to those which are constructed under Federal reclamation laws); or
2. The rehabilitation and improvement of an existing irrigation system.

In either case, the total cost of the project cannot exceed \$10 million and the total Federal share cannot exceed \$6.5 million.

The financial assistance available through this program normally is a long-term loan; however, in some cases a grant may be authorized. Loans may be made for periods of up to 50 years. The portion of a project loan that is assigned to irrigation services for lands not in excess of 160 acres is interest-free. Interest is assessed on that portion of a project loan chargeable to irrigation benefits to land parcels in excess of 160 acres, to the production of commercial power, or to furnishing water for domestic, industrial, or municipal use. The interest rate for fiscal 1967 was 3.25 per cent.

Grants may be made for flood control, recreation, and fish and wildlife purposes if the general public will be the principal beneficiary. Grant assistance is normally available on the following schedule:

1. The entire cost for the preparation of plans for fish and wildlife enhancement or outdoor recreation;
2. Fifty per cent of the cost of acquiring land for a reservoir to be operated for fish and wildlife enhancement or outdoor recreation; and
3. Fifty per cent of the costs of constructing basic outdoor recreation facilities.

Eligible Agencies and Kinds of Projects

States, local general governments, and special districts such as conservation, irrigation, or flood control districts are eligible to participate. No more than one organization may obtain a loan for a single project; however, two or more organizations may make a joint application.

A project, to be eligible, must be primarily intended for irrigation purposes. Other purposes, such as domestic, industrial, or municipal water supply, and commercial power, flood control, fish and wildlife conservation, and public recreation may be included.

Federal Requirements

Of State Governments: Proposals must be submitted to the Governor, or a designated State agency, ^{1/} for review. The Governor or the State agency must certify that the project is financially feasible and that the applicant's claim to the water rights is valid.

Of Regional or Area Planning and Programming Agencies:
Section 204 of P.L. 89-754 applies.

^{1/} In California, the Department of Water Resources is the designated State agency.

Of Applicant Agencies: Applicant agencies must, at the time of formal application, pay the Bureau of Reclamation \$1,000 to offset the cost of the Bureau's review procedures, and observe the provisions of Section 204 of P.L. 89-754.

State Requirements

There are no specific State criteria that must be met. Proposals are submitted to the Department of Water Resources for certification of financial feasibility and water rights. If a proposal involves fish or wildlife protection, the State Department of Fish and Game is asked to comment on it.

Administrative Process for Grant and Loan Applications

The applications pass through two separate review phases -- preliminary and formal. Although no definitive timetables are established, it is estimated that it would take at least one year before financial assistance would be extended to the applicant.

The preliminary or initial review process begins with the applicant filing a "notice of intent" with the Bureau of Reclamation and other appropriate agencies. The notice describes the proposed project and requests a field review. Copies normally are sent to:

1. Bureau of Reclamation Regional Office
2. Fish and Wildlife Service Regional Office
3. State Department of Water Resources
4. State Department of Fish and Game

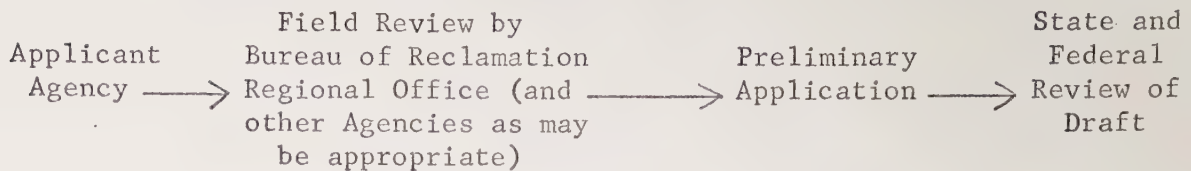
After the notice has been received, a review of the proposed project site is undertaken by the Bureau of Reclamation and other interested agencies. If the proposed site appears to qualify for assistance, the applicant is told to prepare a preliminary application which is then submitted to various State and Federal agencies for their comments. ^{1/} If no serious objections are raised, the applicant will be invited to submit a formal application.

The formal application, the comments of Federal and State agencies, and a check for \$1,000 are then sent to the Bureau of Reclamation's Headquarters Office in Washington. Following Headquarters review, the proposal is submitted to the Secretary of the Interior for transmittal to the Bureau of the Budget and the Interior and Insular Committees of the House and Senate. By law, proposals

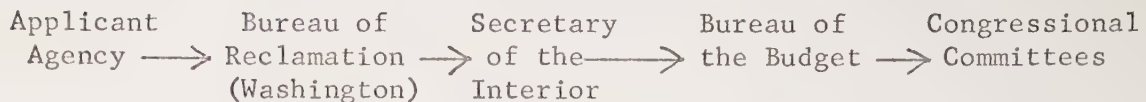
^{1/} A list of the State and Federal agencies that normally review proposals can be found in the Watershed Construction program summary in this manual.

must lie before each Committee sixty days before appropriations can be made. If no objections are made within this period, the Secretary authorizes the award of contract, subject to available funds.

Notice of Intent



Formal Application



Budget Information

Total Federal Authorization: The 1956 Act authorized a sum not to exceed \$100 million to carry out the purpose of this program. In 1966, the basic authorization was increased to \$200 million.

Formula for Allocation to the States: None

State Financial Participation: No specific State contribution is made; however, the Department of Water Resources may reimburse applicants for the purchase of rights-of-way and land easements.

1967-68 Appropriations: The original \$100 million has been expended and no appropriations have yet been made under the second \$100 million authorization.

Historical Data and Program Trends

To date, there has been only one Bay Area application for assistance. This was for the rehabilitation and improvement of the Bethany Irrigation System in Contra Costa County, a \$1,900,000 project for which a \$1,750,000 loan was authorized. Bureau of Reclamation officials do not foresee any new applications in the near future.

Of additional interest to ABAG are the major irrigation and reclamation projects being carried out by the Bureau in the Bay Area. 1/
At present, there are four major projects:

1. Kellogg Canal (Contra Costa County): A feasibility study for providing 440,000 acre feet of water for industrial and municipal use has been completed and is in Washington for final review. Project authorization could come as early as next year. The Federal share of project costs is expected to be approximately \$50 million.
2. San Felipe Project: This project has been authorized and is now awaiting Congressional appropriations. When completed it will provide additional water supply for San Benito, Santa Clara, and Santa Cruz counties. Estimated Federal cost is more than \$100 million.
3. Knights Valley Reservoir: This project has been authorized to the Corps of Engineers at a total project cost of \$190 million. The Bureau of Reclamation is currently studying the feasibility of integrating it with the Bureau's Central Valley project. A preliminary report is expected by late 1968.
5. West Sacramento Valley Canal: This project would provide water to Solano and Yolo Counties for irrigation and municipal uses. A preliminary study has been completed and is in Washington. Estimated Federal cost is \$170 million.

Cross-Reference to Other Programs

Water resource development programs are also carried out by the Army Corps of Engineers and the Soil Conservation Service. See their respective program summaries for additional information.

Sources

1. P.L. 84-984
2. P.L. 85-47
3. P.L. 89-355
4. Small Reclamation Projects (Department of the Interior; January, 1967.)

1/ The administrative process for major projects is similar to that of Corps of Engineers major projects. See the Corps' summary in this manual for additional information.

ABAG Review Requirements (Proposed)

See requirements under this heading for Program VII-A.

CATEGORY: WATER DEVELOPMENT AND LAND CONSERVATION

Program: Planning and Construction of Watersheds

Common Name of Program: Watershed Protection and Flood Prevention

Authorizing Legislation: Watershed Protection and Flood Prevention Act of 1954; P.L. 83-566 as amended by P.L. 85-624, 86-468, 86-545, 87-170, 87-703, and 89-37. [Title 16 USC 1001-1009]

Eligible Recipients: Local General Governments
Special Districts
Public and Private Non-profit Agencies

Program Aid: Project Grants

Responsible Federal Agency: State Conservationist
Soil Conservation Service
U.S. Department of Agriculture

Program Description and Objectives

The purpose of this program is clearly stated in the opening paragraph of P.L. 83-556:

" . . . that erosion, floodwater, and sediment damages in the watersheds of the rivers and streams of the United States, causing loss of life and damage to property, constitute a menace to the national welfare; . . . [and that] the Federal Government should cooperate with States and their political subdivisions, soil or water conservation districts, flood prevention or control districts, and other local public agencies for the purpose of preventing such damages and of furthering the conservation, utilization and disposal of water . . . "

To implement the intent of this legislation, the Secretary of Agriculture has been authorized to provide financial and technical assistance to States and qualified local agencies for watershed projects that will prevent floods and provide for the conservation, development, utilization, and disposal of water and the more efficient and effective use of surrounding land. The amount of assistance that can be obtained is not specified in the legislation; however, it ranges from 50 to 100 per cent of project costs.

The Federal share of the cost of an individual watershed project varies in relation to the purposes for which the watershed is designed. The table below provides an indication of how Federal-local costs are normally divided.

<u>Category</u>	<u>Federal-local Costs</u>
1. <u>Planning and Technical Assistance:</u>	
a. Field Survey and Investigation	100% Federal
b. Work Plan and Project Design	100% Federal
c. Engineering and Technical Services on Federal Land	100% Federal
d. Engineering and Technical Services on Non-federal land	100% Federal
2. <u>Land and Water Acquisition:</u>	
a. All land rights except for public recreation or fish and wildlife development	100% Local
b. Land rights for public recreation and fish and wildlife development	Federal Share not to exceed 50%
c. All water rights	100% Local
3. <u>Construction:</u>	
a. Flood prevention	100% Federal
b. Agricultural water management (irrigation and drainage)	Federal Share about 50%
c. Public recreation or fish and wildlife development	Federal Share not to exceed 50%
d. All other construction	100% Local
4. <u>Engineering and Installation Services</u>	
a. Flood prevention, agricultural water management, and fish or wildlife development	100% Federal
b. Contract Administration	100% Local
c. All Other	100% Local

5. Maintenance and Operation:

- | | |
|---|--------------|
| a. Land treatment measures on
Federal land | 100% Federal |
| b. Land treatment measures on
Non-federal land | 100% Local |
| c. Upkeep after project completion | 100% Local |

The local share of project costs may in some cases be offset by State financial assistance. For example, the State Department of Water Resources may reimburse local agencies for the cost of acquiring land, easements, and rights-of-way. Also, local agencies may apply for loans from the Farmers Home Administration. Loans, not to exceed \$5,000,000, are available for periods of up to 50 years. The fiscal 1967 interest rate was 3.225 per cent.

Eligible Agencies and Kinds of Projects

The sponsors of a watershed project must have authority under State law to plan, construct, operate, and maintain works of improvement. The authority may be vested in a single local organization or collectively in two or more local organizations. Local sponsors will usually include a soil conservation district as one agency and a flood control district, irrigation district, water conservation district, or a local general government as the second agency. A second sponsor is required in California because soil conservation districts do not have the power of eminent domain to acquire necessary land, easements, or rights-of-way, nor do they have adequate taxing authority to meet the costs of operating and maintaining a watershed facility.

The project plan, to be eligible, must have as its main intention at least one of the following three purposes:

1. Flood Prevention: including land-stabilization measures designed to prevent the destruction of land and to reduce the movement of damaging amounts of sediment to stream channels and lower land.
2. Agricultural Water Development or Utilization: including water-supply reservoirs, diversion dams, pumping plants, sluiceways, canal headworks, canal laterals, and main distribution pipelines to carry water to farm boundaries.

3. Agricultural Drainage: including all parts of a group system, such as open ditch or tile, drops, checks, control gates, manholes, and pumping plants.

The proposed watershed project may be designed for other (subsidiary) purposes, including:

1. Municipal and Industrial Supply: including the necessary pipelines for conveying water to a filter or distribution plan.
2. Recreational Development: including facilities for fishing, hunting, swimming, boating, water skiing, picnicking, camping, and other outdoor activities.
3. Fish And Wildlife Development: including the modification of reservoir structures to regulate stream flow and to provide breeding and nesting areas for migratory waterfowl and aquatic mammals.
4. Pollution Abatement: including facilities for saline water intrusion control.

The proposed watershed project, in addition to having flood prevention or agriculture water management as its main purpose, must be in accord with certain technical provisions. These are:

1. Size: the area to be included in the watershed must not exceed 250,000 acres.
2. Capacity of Reservoirs: a single reservoir may not contain more than 12,500 acre feet of capacity for flood prevention; for all purposes combined it may not exceed 25,000 acre feet. (There is no limit to the number of structures that may be built in a single watershed.)
3. Cost: the Bureau of the Budget in a 1965 directive imposed a ceiling of \$5,000,000 in Federal assistance per project.
4. Recreational Developments: the number of such developments is limited to one, if the project area is under 75,000 acres; two, if it is between 75,000 and 150,000 acres; and three, if it is larger.
5. Land Treatment: before Federal funds can be used to construct a dam, at least 50 per cent of the farm land above it must be under basic farm plans (recommended soil conservation measures.)

Federal Requirements

Of State Governments: The Federal Government requires that all watershed applications be initially approved by the Governor or an appropriate State agency (State Soil Conservation Commission). If applications do not receive State approval, they are disqualified from further consideration by the Federal Government.

Of Regional or Areawide Planning and Programming Agencies: Section 204 of P.L. 89-754 applies.

Of Applicant Agencies: ^{1/} The local sponsor(s) of a proposed watershed project must be legally empowered under State law to:

1. Acquire land, easements, and rights-of-way needed for structures or other improvements on private land;
2. Construct facilities, or let contracts for construction, and operate and maintain improvements after the completion of construction;
3. Enter into agreements with farmers and ranchers to plan and apply soil and water conservation measures;
4. Have adequate taxing authority to raise sufficient revenue to meet the local share of the costs; and
5. Acquire whatever water rights are necessary for effective operation of a project.

State Requirements

The State Soil Conservation Commission has the authority to establish priorities and recommend to the Soil Conservation Service which watershed projects should be considered for planning authorization. The priority assigned by the State Soil Conservation Commission is based on the relative need of various sections of the State for watershed projects and the results of a field survey. Generally, project applications will receive State approval if they meet the following criteria:

1. The field survey shows that the project is feasible.
2. The proposed project has a multi-purpose use and is supported by local agencies.

^{1/} The specific requirements that local sponsors must meet are contained in the Water Protection Handbook.

3. Material progress has been or is being made in applying soil and water conservation measures on individual farms and ranches.
4. The proposed project would benefit a large number of people.
5. The proposed project is in harmony with the State water plan.

Administrative Process for Grant Applications

The administrative process for processing watershed applications is handled jointly by the State Soil Conservation Commission and the Soil Conservation Service. The number of steps and the length of time involved in reviewing a proposal are contingent upon the individual application. Each project application, though, must successfully pass through four separate review stages before construction can begin.

Phase I, "Field Review:" The initial step toward obtaining Federal assistance begins with the local soil conservation district's submitting a letter to the State Conservation Commission and the State Conservationist of the Soil Conservation Service outlining the proposed watershed area and requesting a field review of the site. The State Division of Soil Conservation, acting for the State Soil Conservation Commission, will arrange for the field survey and request the representation of interested State and Federal agencies (including the Bureau of Reclamation and the Corps of Engineers).

Following the field survey, the Chief of the Division of Soil Conservation and the State Conservationist review the findings. If it appears that the proposed area is within the jurisdiction of P.L. 83-566, the sponsors will be told to submit a formal application.

At this point the State Division of Soil Conservation and the Soil Conservation Service mail out summaries of the proposed watershed project to various State and Federal agencies and invite their comments on the proposed project. ^{1/}

^{1/} Effective November 21, 1967, ABAG was added to the Soil Conservation Service's mailing list.

Phase II, "Formal Application and Preliminary Study:" The local sponsors, following notification from the State Soil Conservation Commission and the State Conservationist, prepare a formal application requesting planning authorization. The Division of Soil Conservation and/or the Soil Conservation Service may be requested to provide technical assistance services.

Copies of the application are submitted to the State Soil Conservation Commission and the State Conservationist. If the application meets minimum State and Federal requirements it is forwarded to the Administrator of the Soil Conservation Service in Washington. The Administrator, in turn, will authorize the preparation of a preliminary investigation of the area. This study may be carried out by "planning units" from the Division of Soil Conservation, the Soil Conservation Service, or the personnel of applicant agencies.

The preliminary study outlines the project objectives and includes an estimate of the cost of the project. It also must contain an estimate of the benefits that will result from the proposed watershed projects. (The benefit-cost ratio must be at least 1.2 to 1 before a project will be considered acceptable.)

The results of the preliminary study provide the basis for priority rankings by the State Soil Conservation Commission and the State Conservationist. If the two agencies are in agreement that the proposed project is desirable, authorization will be requested from the Administrator of the Soil Conservation Service for the preparation of watershed work plan.

Phase III, "Preparation of Watershed Work Plan:" Following receipt of planning authorization from the Administrator, a "planning party" of State and Federal personnel begin preparation of the watershed work plan. During this phase, detailed studies are undertaken to demonstrate the engineering and economic feasibility of the proposed project. Following the completion of these studies, a work plan draft is prepared and submitted to various Federal and State agencies for their review and comment. The agencies involved include:

Federal

Bureau of Indian Affairs
Bureau of Land Management
Bureau of Mines
Bureau of Outdoor Recreation

State

Agricultural Extension Service
Department of Fish and Game
Department of Parks and Recreation

Federal

Bureau of Reclamation
 Corps of Engineers
 Geological Survey
 Federal Water Pollution
 Control Administration
 Fish and Wildlife Service
 Forest Service
 National Park Service
 Public Health Service

State

Department of Public Health
 Department of Water Resources
 Division of Highways
 Division of Forestry
 Reclamation Board

As noted earlier, ABAG has been added to this list.

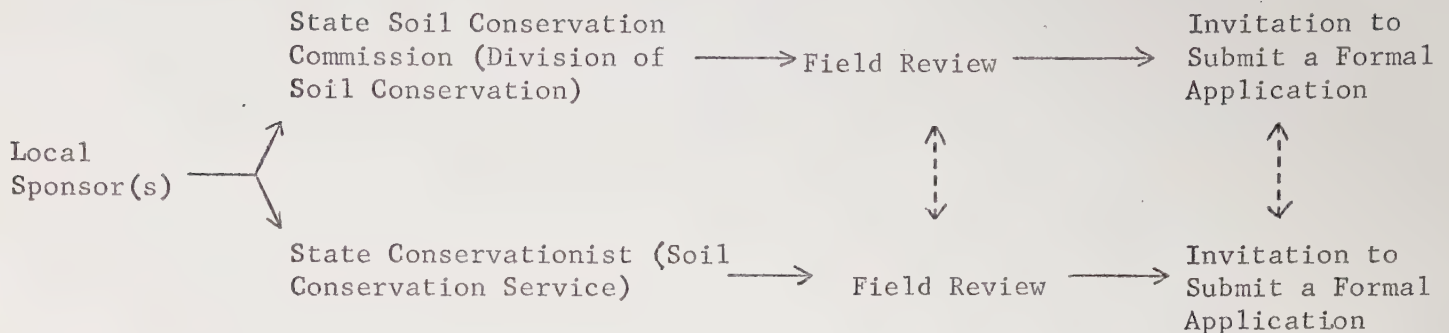
Phase IV, "Final Review and Approval:" The comments of the various State and Federal agencies are received and reviewed by the State Conservationist. The State Conservationist has authority to authorize a project for construction if:

1. The project involves less than \$250,000 in Federal expenditures; and
2. It does not include any single structure providing more than 2,500 acre feet of total capacity.

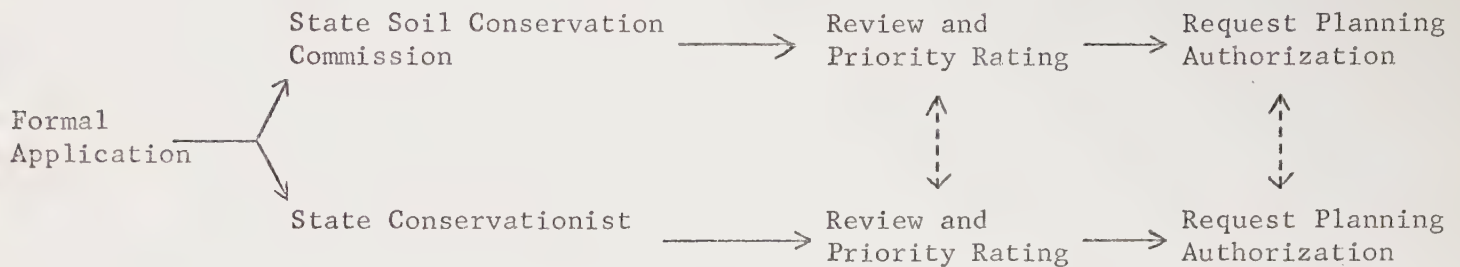
The State Conservationist must forward all plans exceeding either of the above limits to the Administrator. The Administrator, in turn, invites comments from various Federal agencies at the Washington level and from the Governor of California. In the absence of adverse comments, the Administrator will forward the work plan to the Secretary of Agriculture for transmittal to the Bureau of the Budget and thence to the appropriate committees of Congress. Following approval by the Senate Agriculture and Forestry Committee and the House Agriculture Committee, or by the Public Works Committee of both the Senate and the House, the Administrator authorizes the project for construction.

Watershed Application Review Process

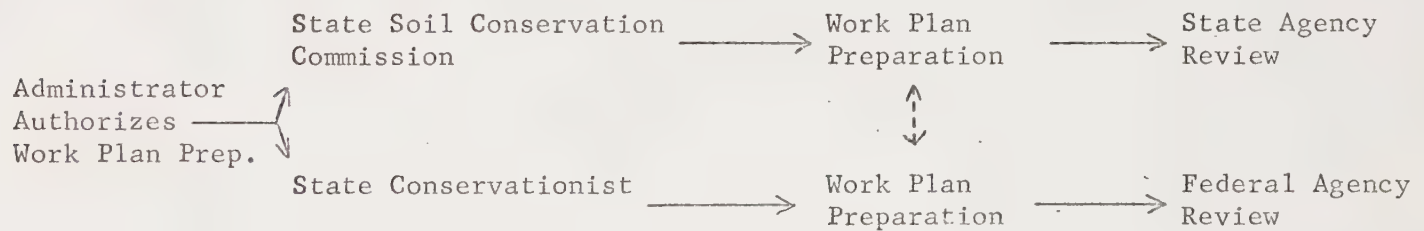
Phase I



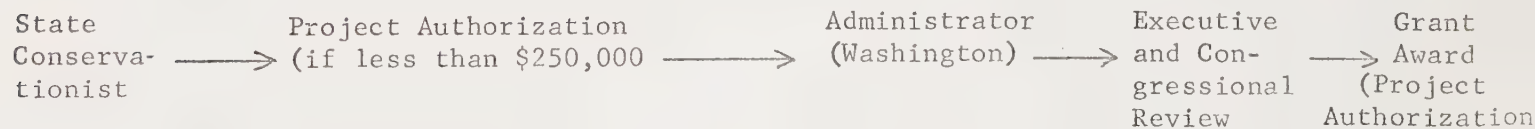
Phase II



Phase III



Phase IV



Budget Information

Total Federal Authorization: The original Act authorized the annual appropriation of such sums as necessary to carry out the purposes of this program.

Formula for Allocation to the States: None

State Financial Participation: California provides State funds both for the planning of watershed projects and for the acquisition of rights-of-way, easements, and water rights.

1967-68 Appropriations: For fiscal 1967, the total Federal Federal appropriation was slightly more than \$75,000,000. Of this sum, approximately \$6,500,000 was spent in California. The fiscal 1968 appropriations have not yet been announced; however, it is expected that they will be the equivalent of last year's.

There also is approximately \$5,000,000 in loan funds available each year through the Farmers Home Administration to finance local costs. To date, though, no California projects have used FHA money.

In addition to Federal funds, the State Division of Soil Conservation has a yearly budget of approximately \$200,000 for watershed planning and the Department of Water Resources has spent approximately \$2,000,000 annually on the acquisition of rights-of-way, easements, and water rights.

Historical Data and Program Trends

It is estimated that there are approximately 260 watershed areas in California that could qualify for assistance under this program. To date, there have been 11 California projects approved for construction. These projects represent a combined investment, either spent or authorized, of slightly more than \$60,000,000, the Federal share being approximately \$42,000,000. Work plans have also been completed on ten other projects representing a potential expenditure in excess of \$50,000,000 (\$25,000,000 Federal).

Because of the complexities of this program, it is not possible to estimate with any degree of accuracy the yearly workload for ABAG. In some years ABAG may not receive a single project request, while in others it may receive eight to ten.

The attached list of projects summarizes watershed activity in the Bay Area and provides some indication of the potential workload.

Projects Authorized for Construction

<u>Name</u>	<u>County</u>	<u>Authorization Date</u>	<u>Federal Cost</u>	<u>Nonfederal Cost</u>
Central Sonoma	Sonoma	4-58	\$10,354,000	\$2,080,100
Marsh Kellogg	Contra Costa	9-59	3,385,200	2,588,900
Ulati Creek	Solano	8-61	3,711,700	2,548,800
Napa River	Napa	6-62	5,567,500	3,420,000

Work Plan Review in Progress

<u>Name</u>	<u>County</u>	<u>Work Plan Completion Date</u>	<u>Federal Cost</u>	<u>Nonfederal Cost</u>
Upper Llagas	Santa Clara	3-66	\$3,105,100	\$2,440,900
Lower Llagas	Santa Clara	5-66	4,345,600	2,399,100
New Jerusalem	Alameda (and San Joaquin)	7-66	1,236,050	1,858,050

Work Plan Preparation in Process

<u>Name</u>	<u>County</u>	<u>Planning Authorization Approval Date</u>	<u>Estimated Work Plan Completion Date</u>
Upper Napa River	Napa	6-60	7-68
Pine Creek No. 1	Contra Costa	6-62	12-67
Pine Creek No. 2	Contra Costa	6-62	12-67

Applications for Assistance

<u>Name</u>	<u>County</u>	<u>State Approval Date</u>	<u>Status</u>
Las Trampas	Contra Costa	3-62	Initial Investigation Requested
Matadero Creek	Santa Clara	--	" " "
Mt. Diablo-Seal Creek	Contra Costa	--	" " "
Silver Creek	Santa Clara	--	" " "
St. Helena	Napa (and Lake)	--	" " "
Yolano	Solano	--	" " "

Sources:

1. P.L. 83-366
2. P.L. 89-754
3. California Watershed Progress Report (November, 1966)
4. Watershed Protection Handbook
5. Miscellaneous Soil Conservation Service publications.

ABAG Review Requirements (Proposed)

See requirements under this heading for Program VII-A.

CATEGORY: WATER DEVELOPMENT AND LAND CONSERVATION

Program: Rural Renewal and Resource Conservation Development; Soil and Water Conservation Loans

Authorization Legislation: Consolidated Farmers Home Administration Act of 1961; P.L. 87-128, amended by P.L. 89-240 [Title 7 USC 1010, 1011, 1013, and 1926]

Eligible Recipients: Local General Governments
Public and Private Non-profit Agencies

Program Aid: Project Loans

Responsible Federal Agency: Jointly administered by:
Farmers Home Administration and
Soil Conservation Service
Department of Agriculture

Program Description and Objectives

This legislation, in effect, provides the framework for three separate aid programs administered through the Department of Agriculture. These are:

1. Rural Renewal Loans: This program provides financial assistance to local public and private agencies for renewal projects in designated rural renewal areas.
2. Resource Conservation and Development Loans: This program provides financial assistance to local public and private non-profit agencies for natural resource conservation and development projects in designated rural renewal areas.
3. Soil and Water Conservation Loans: This program provides financial assistance to non-profit associations of farmers and ranchers for conservation, land use, and outdoor recreation projects.

The type of loan assistance available varies with each program. For rural renewal and resource conservation projects, long-term loans for up to thirty years can be obtained. The

interest rate for fiscal 1967 was 3.225 per cent. In addition, the Soil Conservation Service is authorized to provide technical assistance such as engineering and feasibility studies. For soil and water conservation projects, forty-year loans can be obtained. The interest rate for fiscal 1967 was five per cent.

Eligible Agencies and Kinds of Projects

Local public and private non-profit agencies may obtain assistance. The kinds of projects include:

1. Rural Renewal Loans: These funds may be used to:
 - a. Purchase and consolidate small tracts of land and resell as family-size farms or for non-farm use;
 - b. Purchase and subdivide large tracts of land and resell as family-size farms or for non-farm use;
 - c. Develop rural recreation areas including facilities for swimming, golfing, boating, fishing, and camping; and
 - d. Purchase and develop land, improve timber, build access roads, and carry out conservation measures.
2. Resource Conservation and Development Loans: These funds can be used to undertake conservation and development projects, including:
 - a. Land and water use planning;
 - b. Construction of public recreation facilities; and
 - c. Development of needed community land use projects.
3. Soil and Water Conservation Loans: The funds can be used to develop irrigation systems, drain farm land, and carry out soil conservation measures. These funds can also be used to develop grazing areas and forest lands.

Federal Requirements

Of State Governments: The Governor, or a designated agency, must review and comment on all loan proposals that require the designation of a "rural renewal" or a "resource conservation and development area." The State is not directly involved in soil and water conservation loans.

Of Regional or Area Planning and Programming Agencies: Section 204 of P.L. 89-754 applies.

Of Applicant Agencies: The total FHA indebtedness of non-profit agencies applying for soil and water conservation loans cannot exceed \$4 million.

The provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

None.

Administrative Process for Grant Applications

A loan application under any of these programs is initially submitted to the Farmers Home Administration County Office for review by the local advisory committee. ^{1/} Following County Office review, the application is forwarded to the State Director's office for review and funding. Proposals involving a loan in excess of \$250,000 must be forwarded to Washington for approval. ^{2/}

Loan applications which require the designation of a "rural renewal area" must be submitted to the Governor, or an agency designated by him, for review and comment. The Governor has 45 days in which to act on a proposal.

The FHA State Office has not established funding cycles or other definitive administrative procedures regarding application deadlines or review time periods. However, it is estimated that six months to a year is required to process an application.

^{1/} FHA County Offices serving the Bay Area are located at San Jose, Santa Rosa, and Stockton.

^{2/} Projects which involve a rural renewal or resource conservation loan in excess of \$250,000 must be approved by the Senate Agriculture and Forestry Committee and the House Agriculture Committee.

Budget Information

Total Federal Authorization: P.L. 89-240 authorizes the Secretary of Agriculture to spend a sum not to exceed \$50,000,000 a year to assist in financing, through loans, soil and water conservation projects, shifts in land use, rural renewal projects, and resource conservation and development projects.

Formula for Allocation to the States: None

State Financial Participation: None

1967-68 Appropriation: \$2,000,000 in loan funds were available in fiscal 1967 to carry out these programs. No additional appropriation was made for fiscal 1968.

Historical Data and Program Trends

Since the inception of these programs, there have been no loan applications from Bay Area agencies; none are expected in the coming year. The fact that these programs are directed toward low-income rural areas makes it unlikely that ABAG will be called upon to review a proposal.

The only area in the State of California presently designated as a "resource conservation and development area" is Modoc County. There, a joint California-Nevada rural development project is underway.

Cross-Reference to Other Programs

None.

Sources

1. P.L. 87-128 and P.L. 89-240.
2. Department of Agriculture: Documents No. PA-554, PA-705, and PA-723.

ABAG Review Requirements (Proposed)

See requirements under this heading for Program VII-A.

VIII. OTHER AID PROGRAMS

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CATEGORY: OTHER AID PROGRAMS -- LIBRARIES

Program: Public Library Services and Construction

Authorizing Legislation: Library Services and Construction Act; P.L. 84-597 as amended. [Title 20 USC 351-358]

Eligible Recipients: States and local governments through State administering agency.

Program Aid: Library Construction Grants

Responsible Federal Agency: Office of Education
Department of Health, Education and Welfare (acting through California State Library)

Program Description and Objectives

The purposes of the program are to extend public library services to areas where such do not exist or are inadequate. The law requires that there be a State plan approved by the Commissioner of Education and a competent State administering agency with authority to execute such a plan. That agency -- the California State Library -- receives and acts upon applications from local jurisdictions. The several kinds of grant programs actually or potentially applicable to Bay Area local jurisdictions are: the planning and demonstration of library service improvements; library construction; the planning, establishment, and strengthening of local and regional "cooperative networks of libraries;" and services to State supported institutions and physically handicapped. Of these, only the library construction grant program (Title II of the subject act) has been placed under Section 204 of P.L. 89-754.

"The 'Federal share' for [projects in] any State shall be 100 per cent less the State percentage and the State percentage shall be that percentage which bears the same ratio to 50 per cent as the per capita income of such State bears to the per capita income of all the States . . . except that the Federal share shall in no case be more than 66 per cent or less than 33 per cent." These are recalculated biennially; the current authorized sharing for projects in California is 39.66 per cent Federal and 60.34 local funds.

Eligible Recipient Agencies and Kinds of Projects

As noted above, the Federal Government allots funds to the States on the basis of an approved statewide plan. The California

State Library determines grant eligibility among applicant agencies -- cities, counties, special library districts, or groupings of these as cooperative library systems, for the construction of library buildings. Priority is given to projects involving interlibrary cooperative or regional ventures which are a part of or are consistent with the State plan.

Federal Requirements

Of State Governments: To qualify for construction grants under this program a State must have submitted and had approved by the Commissioner of Education a State plan. The law and HEW regulations set forth the Federal requirements as to State plan coverage. The plan must, among other things, establish policies, criteria, and procedures for the review of grant applications that will assure maximum benefit from funds allocated. Assurance must be given of fair hearings on denied applications and that there be proper records and reporting -- particularly on financial matters. Library services, must be made available to the public free of charge. ^{1/}

Also, project approval procedures must assure that adequate facilities do not already exist for the provision of services, and that the provisions of the Davis-Bacon Act will be observed (recontractors and workmen).

In general, the Federal requirements are minimal, leaving to the State Library broad discretionary authority in the selection or approval of projects. The Federal requirement in essence is that there be a competent State administrative agency, that it have an approved plan, and that it take reasonable measures to make effective use of the allocated funds.

Of Regional or Area Planning and Programming Agencies: Section 204 of P.L. 89-754 applies for library construction projects only (Title II, LSCA). Certain of the Federal requirements included in the immediately preceding paragraphs are, in effect, imposed on a regional review agency.

Of Applicant Agencies: None other than what State requires in its plan.

State Requirements

The State requirements are presented fully in the State Plan

^{1/} These requirements are contained in the Rules and Regulations, HEW, Title 45, Part 130.

for Library Programs Under Library Services and Construction Act, issued by the California State Library (March, 1967). The plan includes specific criteria and priorities as to adequacy of present services and types of projects to be given priority. In general, adequacy of services is determined by the use of national and State standards. The selection of projects from among unserved or inadequately served areas is based on a variety of factors related to needs, local support, and consistency with the Master Plan for Public Libraries in California. As already noted, priority is given to projects joined in by two or more libraries on a cooperative or system basis. ^{1/}

Administrative Process for Grant Applications

The application process and review procedures are completely detailed in the above-mentioned State plan (Sections 2.0-4.5), and in a State Library publication, Instructions for Applying for a Grant of Federal Funds for Construction Under the Library Services and Construction Act. An application form is provided by the State Library. Project applications must be submitted by specific dates set annually by the State Library -- normally one in the fall and one in the spring considered for funding in the fiscal year ending June 30, following. Documentation supporting an application must include among other items, long-range (20-year) program projections, and a schematic design and site plan prepared by an architect.

In practice, a prospective applicant jurisdiction usually will discuss the priority of its project with the State Library before proceeding with the development of a formal application, in that time and expense are involved and grant funds limited.

Following State Library approval, grant project applications are submitted to the Regional Office of the Department of Health, Education, and Welfare for review (technical only) prior to the obligation of any Federal funds.

Budget Information

Federal Authorization: The Act authorizes the appropriation of \$40 million for fiscal 1967, increasing by \$10 million per annum to \$80 million in fiscal 1971.

State Allocation Formula: Funds are allocated to the States

^{1/} See the State plan, Section 2.0 and following. The requirements are specific and detailed.

on the basis of population (last decennial census), with minimums set by law.

State Financial Participation: The State provides general consultative assistance to public libraries and a measure of general financial aid, but does not directly share in construction project costs.

Federal 1967-68 Appropriation: None made as of October 15, 1967, for the current fiscal year ending June 30, 1968. (The request of the President to Congress for the "services" element was for \$27,185,000 compared with the 1966-67 appropriation of \$40,000,000.) California's share of the request would be \$2,063,000.

Historical Data and Program Trends

The library construction assistance program (Title II of the subject Act) dates back only to fiscal year 1965. In the three-year period 1965-67, 13 grant projects in the total amount of \$3.4 million in Federal aid were executed in the Bay Area. Local governments spent nearly \$7 million in local funds on these same projects. At present appropriation levels, three or four projects could be expected annually in this area.

The funding history of the Title I program -- library service improvement -- which has been in effect eleven years may give an indication of what might develop under Title II (California allocations).

1957	\$40,000	1963	\$250,000
1958	158,000	1964	1,805,000
1959	184,000	1965	1,826,000
1960	239,000	1966	1,816,000
1961	239,000	1967	2,667,000
1962	250,000		

Cross Reference to Other Programs

1. Other Titles of the Library Services and Construction Act.
2. California State Library consultative assistance in library services and construction area.

Sources

1. U.S. Code Annotated. Effective October 16, 1966, up to and including P.L. 89-695.

2. Library Services and Construction Act Amendments of 1966, P.L. 89-511, July 19, 1966.
3. Rules and Regulations, Department of HEW, Title 45, Part 130.
4. State Plan for Library Programs under Library Services and Construction Act, as amended. [California State Library]
5. Instructions for Applying for a Grant of Federal Funds for Construction Under the Library Services and Construction Act. [California State Library]

ABAG Review Requirements (Proposed)

1. The applicant shall submit to ABAG the information and documentation required on the application form developed by the California State Library at least ninety days prior to the deadline for formal application submission to that agency. An exception to this is the architect's schematic design and site plan, which need not be submitted to ABAG.

2. ABAG will review the application, giving attention to regional comprehensive and land use planning and interjurisdictional implications, and submit its comments and recommendations to the applicant.

3. The applicant will include ABAG's comments in its formal application and forward a copy of that application to ABAG for information. The applicant will also notify ABAG of the final action taken on the application.

CATEGORY: OTHER AID PROGRAMS -- PUBLIC WORKS

Program: Public Works or Facilities

Common Name of Program: Public Facility Loans

Authorizing Legislation: Housing Act of 1954 (as amended).
P.L. 87-70 amended by P.L. 87-808.
[Title 42 USC 1491-1497]

Eligible Recipients: Local General Governments
Special Districts

Program Aid: Loans (long-term, up to 40 years)

Responsible Federal Agency: Department of Housing and Urban
Development/Office of Metropolitan
Development

Program Description and Objectives

The purpose of this program is to assist wherever possible local public jurisdictions to provide the services and facilities essential to the public health and welfare by authorizing the extension of credit for certain essential public works or facilities. This program provides long-term construction loans, up to 40 years, to finance the construction of all types of public works, other than school facilities, when such credit is not otherwise available on a reasonable basis. Loans may cover up to 100 per cent of project costs.

The primary purpose of this program is to insure that smaller communities (under 50,000) will be able to finance the construction of needed public facilities at reasonable rates of interest. To achieve this goal the Federal Government, through the Department of Housing and Urban Development, will bid on construction bonds at the rate of 4.5 per cent per annum (fiscal 1968 interest rate). ^{1/} If no other bids are made that contain an offer to buy at lower or equivalent interest rates the Government will purchase the bonds.

Eligible Recipient Agencies and Kinds of Projects

Any political subdivision of a State that possesses the legal

^{1/} Communities of 150,000 or less, designated as redevelopment areas by the Secretary of Commerce can obtain loans at the rate of 4.25 per cent per annum.

authority to build public works and issue bonds is eligible; however, the applicant community must have a population of less than 50,000. In designated development areas, the population limit is 150,000 and in areas near National Aeronautics and Space Administration (NASA) installations the population limit is waived. A nonprofit, private corporation serving a community of under 10,000 also is eligible for assistance, but for water and sewer facilities only.

Projects covered under this program fall into two broad categories:

1. To purchase securities and obligations or make loans for the purpose of financing specific projects for public works or facilities; and
2. To purchase securities and obligations or make loans for the purpose of financing the acquisition, construction, reconstruction, and improvement of facilities and equipment in mass transportation service in urban areas, and for use in coordinating highway, bus, surface rail, underground parking, and other transportation facilities in such areas.

Priority for application under (1) will be given to "smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; sewage treatment, sewer facilities, and gas distribution systems) for which there is an urgent and vital public need." 1/

Federal Requirements

Of State Governments: None.

Of Regional or Area Planning and Programming Agencies: To qualify for transportation facility loans under the second project category (described above), there must be a comprehensive and coordinated mass transportation program, either developed or being developed for the area served by the applicant. If the program is not completed, the Secretary of Housing and Urban Development must determine that there is an urgent need for the facilities prior to the time the program will be completed.

In addition to the above, the provisions of Section 204, P.L. 89-754, are applicable.

1/ A smaller municipality means an incorporated or unincorporated political subdivision of less than 10,000 inhabitants (last Federal census).

Of Applicant Agencies: Section 204 of P.L. 89-754.State Requirements

None.

Administrative Process for Grant Applications

The applicant agency that requests HUD assistance must demonstrate that it has the financial ability to meet bond indebtedness before a loan will be made. The administrative process of reviewing applications is centered around this requirement. Before an applicant is permitted to submit a formal proposal to HUD, it must demonstrate at a preliminary inquiry that it is financially able to assume debt responsibility. The steps in the review process are as follow:

1. Submission of Preliminary Inquiry and Preliminary Conference with HUD officials: At this point the applicant is required to submit preliminary plans and to justify them to HUD (MDO) personnel. If MDO personnel are satisfied that the community is in need of the proposed facility and that it meets the necessary financial requirements, the applicant agency will be invited to submit a formal proposal. (Time: four to six weeks).
2. ABAG Review: Following the preliminary conference, the applicant must request ABAG approval of the proposal. A letter certifying the ABAG review must be included in the formal proposal. (Maximum time: sixty days).
3. Submission of Formal Proposal: At this time the various HUD offices (i.e., engineering, planning, real estate, etc.) review and comment on the plans. If the proposal successfully passes these tests, a letter indicating the Government's willingness to bid on the bonds is sent to the applicant. (Time: four to six weeks).
4. Submission of Bond Issue to Local Electorate (if necessary): (Time: indeterminate).
5. Award: If no other financial institution makes an acceptable bid on the bonds, the Federal Government will purchase them.



Budget Information

Total Federal Authorization: Outstanding loans of not to exceed \$650,000,000 are authorized under this law; provided that \$600,000,000 shall be available for category (1) projects and \$50,000,000 for category (2) mass transportation projects.

Funds borrowed under this program and any proceeds shall constitute a revolving fund which may be used by the Secretary for functions under this law.

Formula for Allocation to the States: None.

State Financial Participation: None.

1967-68 Federal Appropriation: Available is that portion of the \$650,000,000 not previously committed (plus any excess proceeds of the revolving fund as payments on prior loans are made). This amounts to \$50,000,000 for the 1968 fiscal year.

Historical Data and Program Trends

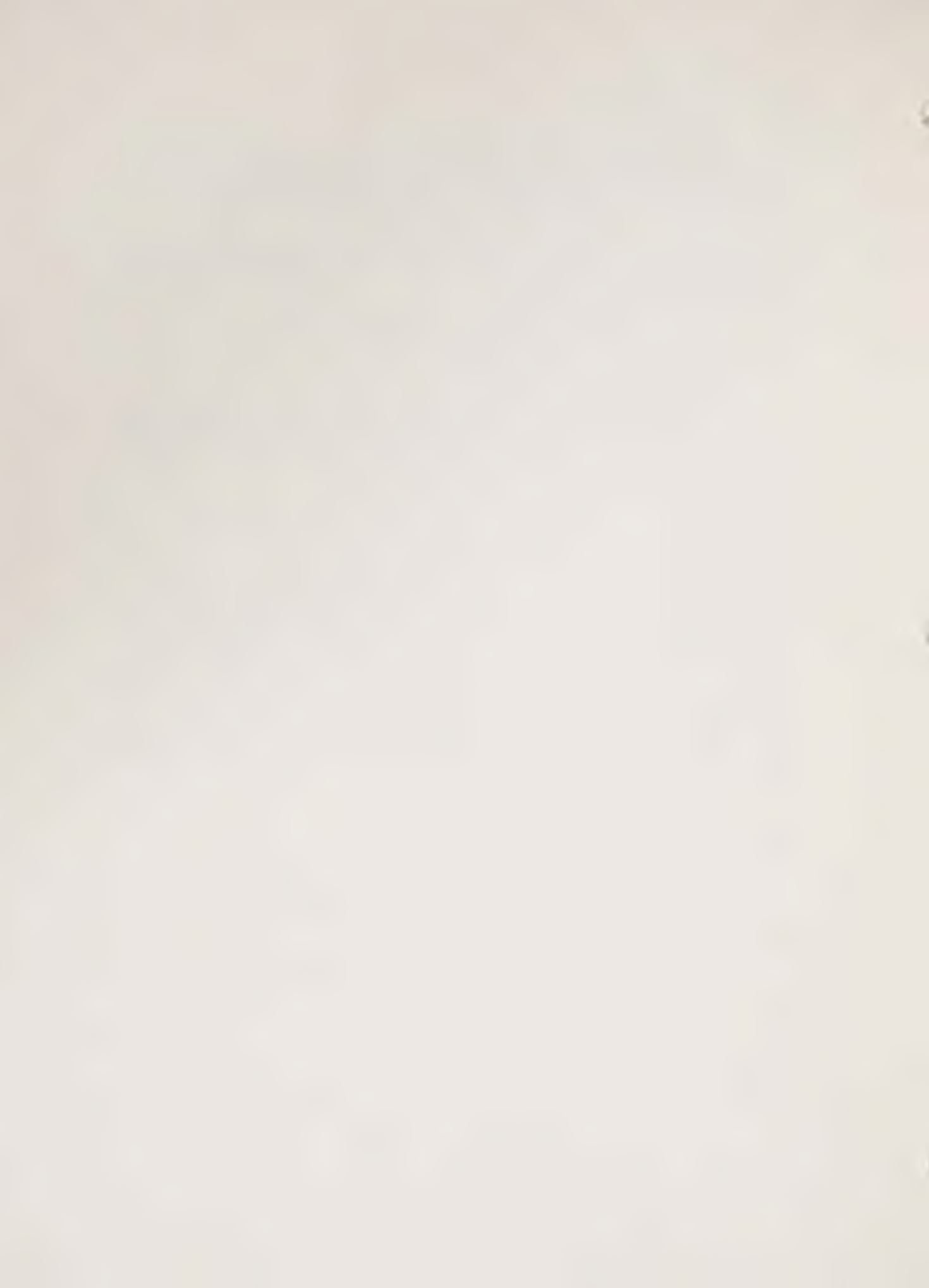
This program dates back to the 1950's and there has been a considerable variance in the number of applications processed each year. Recent evidence indicates that ABAG could reasonably expect to review approximately two or three proposals each year. A recent change in HUD regulations may effect the volume of applications somewhat. It is now possible for applicants to combine a loan under this program with a grant received under the "Basic Sewer and Water Facilities" program. However, this change is not expected to have much effect on the Bay Area, since private financial institutions are usually willing to bid on bonds at a lower rate of interest than the Federal Government's guarantee.

Cross Reference to Other Programs

1. For information on HUD's water and sewer program, see the heading "Basic Water and Sewer Facilities" in this manual.
2. There are no communities within the Bay Area that presently qualify for the reduced 4.25 per cent interest rate.

Sources

1. U.S. Code Annotated. Effective through October 16, 1966, up to and including P.L. 89-695.
2. P.L. 89-754 Section 204.
3. HUD Instruction Guide No. 4702 (December 1966).



ABAG Review Requirements (Proposed)

Satisfactory procedures for ABAG's Regional Review have already been established.

CATEGORY: OTHER AID PROGRAMS

<u>Program:</u>	Advance Acquisition of Land
<u>Authorizing Legislation:</u>	Housing and Urban Development Act of 1965; P.L. 89-117 Title VII (new)
<u>Eligible Recipients:</u>	Local General Governments Special Districts
<u>Program Aid:</u>	Project Grants
<u>Responsible Federal Agency:</u>	Office of Metropolitan Development Department of Housing and Urban Development

Program Description and Objectives

The purpose of this program is to encourage and assist local governments in the timely acquisition of land in connection with the future construction of public works and other public facilities through grants to aid in financing the acquisition of title to, or other permanent interest in, such land. Grants may be made under this program for the aggregate amount of reasonable interest charges on loans or other financial obligations incurred to finance the advance acquisitions. The interest charges can cover a period extending from the date the loan or other financial obligation is incurred to the initiation of construction, but not exceeding five years.

Additional grant assistance is available to pay the cost of relocation payments to eligible persons and organizations displaced from land whose purchase is assisted under this program, up to 100 per cent of such costs.

Eligible Recipient Agencies and Kinds of Projects

Grants may be made to any local public body or agency with the authority to acquire land and receive and spend Federal Funds. In general, assistance can be provided through this program for land to be utilized in connection with any public work or facility for which a planning advance may be made under Section 702 of the Housing Act of 1954. Examples of such public works and facilities include highways, roads, and streets; bridges, viaducts, and grade separations; airports and airport facilities; sewer facilities, including waste treatment works and sanitary and storm sewers; incinerators; water facilities, including water supply and treatment plants, pumping stations, and storage, distribution, and irrigation systems; schools,

libraries, and other educational facilities; health facilities; recreational facilities; and other public buildings, such as city halls and police and fire stations.

Federal Requirements

Of State Governments: None.

Of Regional or Area Planning and Programming Agencies: Section 204 of P.L. 89-754.

Of Applicant Agencies: Applicants must be able to demonstrate that there exists an adequate long-range comprehensive plan for the area and that the proposed land acquisition is consistent with it.

The provisions of Section 204 of P.L. 89-754 also apply.

State Regulations

None.

Administrative Process for Grant Applications

Applications for assistance are submitted directly to the HUD Regional Office. From there a copy is dispatched to ABAG for review and comment.

Because of the relative newness of the program and the infrequency of grant applications, no review procedures or time estimates have been developed.

Budget Information

Total Federal Authorization: The authorization for all appropriations for advance acquisition of land is \$5,000,000 for each fiscal year through 1969.

Amounts appropriated remain available until expended.

Formula for Allocation to the States: None.

State Financial Participation: None.

1967-68 Federal Appropriation: \$1 million nationally for fiscal 1968.

Historical Data and Program Trends

Grant activity under this program has been extremely limited. To date, only two applications have been processed for the entire Western region, neither of which involved a Bay Area public agency. It is unlikely that there will be more than a few, if any, applications from Bay Area communities for the assistance offered by this program. The limited amount of aid available makes it somewhat unattractive.

Cross Reference to Other Programs

1. Land purchased through this program can be used for the construction of almost all types of public facilities. See the various program descriptions in this manual for additional information.
2. The relocation grant assistance, available through this program, is also available in almost all other HUD-sponsored programs.

Sources

1. U.S. Code Annotated. Effective through October 16, 1966, up to and including P.L. 89-695.
2. Program Guide "Advance Acquisition of Land" (May, 1966)

ABAG Review Requirements (Proposed)

Satisfactory procedures for ABAG's Regional Review have already been established.

CATEGORY: OTHER AID PROGRAMS -- EDA

Program: Construction of Public Works and Facilities

Common Name of Program: Public Works and Economic Development Facilities

Authorizing Legislation: Public Works and Economic Development Act of 1965, P.L. 89-138 [Title 42 USC 3131-3136, 3141-3143]

Eligible Recipients: States
Local General Governments
Special Districts
Public or Private Nonprofit Corporations

Program Aid: Project Grants
Long-term Loans

Responsible Federal Agency: Economic Development Administration
Department of Commerce

Program Description and Objectives

The purpose of this program is to assist in the economic development of designated redevelopment areas. To accomplish this goal, the Secretary of Commerce has been authorized to make financial assistance available for projects that will improve a designated area's economic environment. Projects must directly or indirectly:

1. Improve the opportunities for the successful establishment of industrial or commercial plants or facilities; or
2. Assist in the creation of additional long-term employment opportunities; or
3. Primarily benefit the long-term unemployed or members of low-income families.

Financial assistance in the form of grants and loans is available to carry out the purposes of this program. Grants are of two types:

1. Direct grants of up to 50 per cent of project costs; and
2. Supplementary grants (in excess of the 50 per cent maximum) may be authorized for areas unable to provide matching funds. (The amount of a supplementary grant is

not restricted; except that in no case shall the Federal share of project costs exceed 80 per cent.

The Secretary of Commerce also is authorized to make loans and to guarantee loans of both public and private borrowers. Loans and loan guarantees are available in most cases for a period of forty years. Two exceptions to this stipulation are:

1. Business loans must show a maturity date not to exceed 25 years; and
2. Rivers and harbors loans may have a maturity date of up to 50 years.

Loan assistance under the business loan portion of this program is limited to 65 per cent of the aggregate cost to the applicant. Guarantees on such loans shall at no time exceed 90 per cent of the unpaid balance. (These limitations are applicable only to business loans.)

Eligible Agencies and Kinds of Projects

Agencies eligible for assistance under this program include the States, their political subdivisions, and public or private nonprofit organizations representing redevelopment areas. In addition to the above, the Secretary of Commerce is empowered to make business loans and loan guarantees to private borrowers.

A project site, to be eligible, must be located in an area officially designated by the Secretary of Commerce as an Economic Development Area (EDA). The principal requirements for being so designated are chronic long-term unemployment and an approved "Overall Economic Development Plan." ^{1/} In certain cases, assistance may be provided for projects located in non-EDA areas if the Secretary of Labor certifies that there has been substantial unemployment during the preceding calendar year.

Projects eligible for financial assistance will be concerned with the:

" . . . acquisition or redevelopment of land and improvements for public works, public service or development facility usage, and the acquisition, construction, rehabilitation, alteration,

^{1/} The City of Oakland is the only Bay Area locality presently designated as an economic development area. The Oakland City Council is responsible for the preparation of the Overall Economic Development Plan.

expansion, or improvement of such facilities, including related machinery and equipment."

Typical projects carried out under this program include the development of water and sewer systems, access roads to industrial parks, harbor facilities, railroad sidings and spurs, public tourism facilities, vocational schools, flood control projects, and site improvements for industrial parks. Certain types of projects are specifically ineligible for assistance. These include public buildings such as courthouses, town halls, police stations and jails, municipal swimming pools, housing projects, and elementary and secondary schools. Hospitals may be assisted only if the condition of present facilities seriously hampers the economic development of the area.

Except for projects specifically authorized by Congress, no assistance will be extended to any public service or development facility which would compete with an existing privately-owned public utility, rendering service at rates regulated by a government regulatory body, unless there is an unmet need for such expansion and the existing privately-owned public utility is unable or unwilling to undertake it.

Business loans and loans guarantees are limited to redevelopment areas. Loan assistance is available for the:

" . . . purchase or development of land and facilities for industrial or commercial usage, including the alterations, conversion, or enlargement of existing buildings."

Assistance is not available for projects that will involve relocating establishments from one area to another.

Federal Requirements

Of State Governments: None.

Of Regional or Area Planning and Programming Agencies: In addition to the provisions of Section 204, P.L. 89-754, the area must have an "approved overall economic development program." ^{1/}

^{1/} Section 202 (b) of P.L. 89-136 contains the provision that: "No assistance will be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program."

Of Applicant Agencies: Project applications for grants and loans must show that they will:

1. Improve the opportunities for the successful establishment or expansion of industrial or commercial plants or facilities;
2. Assist in the creation of additional long-term employment opportunities; and
3. Primarily benefit the long-term unemployed and members of low-income families.

Project applications for business loans or loan guarantees must show that assistance is not available elsewhere on terms that will permit the accomplishment of the project. Also, there must be reasonable assurance of repayment.

In addition to the above, the provisions of Section 204 of P.L. 89-754 are applicable.

State Requirements

None.

Administrative Process For Grant Applications

Under the present review process the application for public works assistance is submitted directly by the applicant to the Oakland EDA Office for review. Following this, the application is forwarded directly to Washington for funding. Neither ABAG nor any other regional agency has been involved in the review process up to this date.

Budget Information

Total Federal Authorization: There is authorized to be appropriated for grants and supplementary grants under this program \$500,000,000 for each fiscal year through 1969.

There is authorized for appropriation for all loans, and loan guarantees under this program (except river and harbor projects) \$170,000,000 for each fiscal year through 1969.

There is authorized for appropriation under the rivers and harbors portion of this program, \$10,000,000 for each fiscal year through 1970.

Formula for Allocation to the States: Not more than 15 per cent of appropriations for grants and supplementary grants may be expended in any one State. No limitation exists on the loan portion of the program.

State Financial Participation: None.

1967-68 Appropriation: The fiscal 1968 appropriations had not been passed by Congress as of November 30, 1967. Fiscal 1967 allocations were as follows:

1. \$430,000,000 for direct and supplementary grants;
2. \$100,000,000 for all loans, of which \$10,000,000 was for loan guarantees.

Fiscal 1968 spending are not expected to exceed last year's; in fact, EDA personnel are expecting a reduction of as much as 30 per cent.

Historical Data and Program Trends

At present only the City of Oakland is eligible to receive public works assistance under the provisions of this law. Prior to July 1, 1967, Santa Clara County was designated redevelopment area, but as a result of increasing economic activity its designation was revoked.

Public works projects totaling more than \$24,000,000 were approved for the Oakland area in the two year period ending June 30, 1967. There were nine projects, most of which were concerned with the construction or modernization of airport and marine facilities (see list below). Prior to losing its designation, Santa Clara County received \$600,000 for three public works projects.

There is no current indication that any Bay Area locality, other than Oakland, will be eligible for assistance under this program. Seven business loans and two loan guarantees have been approved under the loan assistance provisions of the Act. In all but one case, the applicants were located in Oakland. Most of the loans have been for under \$100,000; the largest was a \$423,000 loan made in April of 1966.

Major Projects Funded by EDA in Bay Area (6-30-67)

<u>Date</u>	<u>Applicant</u>	<u>Project</u>	<u>Assistance</u>
4/66	Port of Oakland	7th Street Marine Terminal	\$6,075,000 (grant) 4,050,000 (loan)
4/44	Port of Oakland	Industrial Park	1,260,000 (grant) 840,000 (loan)

<u>Date</u>	<u>Applicant</u>	<u>Project</u>	<u>Assistance</u>
4/66	Port of Oakland	Airport Facilities	\$6,390,000 (grant) 4,260,000 (loan)
4/66	City of Oakland	Four Lane Roadway	414,000 (grant)
6/66	Port of Oakland	Air Cargo Terminal	320,000 (grant)
2/67	Port of Oakland	Auxiliary Airport Facilities	134,000 (grant) 89,000 (loan)
5/67	City of Sunnyvale	Sewer System	84,000 (grant)
5/67	San Jose School District	Vocational Education Center	350,000 (grant)
6/67	City of Mountain View	Water and Sewer System	249,000 (grant)

Cross Reference to Other Programs

1. Water and sewer projects eligible under this program also are eligible for grants and loans from the Department of Housing and Urban Development and the Department of Agriculture under certain conditions. (See their respective chapters in this manual).
2. Waste treatment facilities eligible under this program also are eligible for grants from the Department of Interior program.
3. Any EDA project which includes plans for a waste disposal system must be approved by the Federal Water Pollution Control Administration.
4. Supplementary grants are available for other Federal aid programs (non-EDA) in designated redevelopment areas. To be eligible the assistance given by the other Federal agency must be less than 50 per cent of the project cost. Also, the program must have significant implications for long-range economic development.

Sources

1. U.S. Code Annotated. Effective through October 16, 1966, up to and including P.L. 89-695.
2. P.L. 89-136
3. EDA Brochure "Grants and Loans for Public Works and Development Facilities" (1-66)

4. EDA Brochure "Business Loans and How to Apply" (1-66)
5. EDA Directory of Approved Projects (6-30-67)

ABAG Review Requirements (Proposed)

This program is unique because although only one area (Oakland) is now eligible to receive assistance, the program can have widespread regional implications -- for example, airport and marine construction. It also entails a Federal-local relationship that is not found in any other program in that most project applications are drafted by EDA personnel working with Oakland officials or by third-party consultants working under EDA supervision.

The review process, as noted earlier, consists of applications being submitted to the Oakland EDA Office for initial review and then to Washington for final approval and funding. EDA personnel have proposed that following the Oakland office review, a copy of the proposal will be sent to ABAG for its comments prior to action by Washington. While this procedure would formally fulfill the requirements of P.L. 89-754, it would not be in the best interest of the Bay Area. Rather, it is recommended that ABAG become involved earlier in the process to insure that regional interests are considered.

An ABAG staff member should be assigned to work with the Oakland EDA Office in the development of proposals. Preferably this should be the Director of Project and Program Review or a member of his staff. The ABAG-EDA relationship should be informal, emphasizing the exchange of information. Once a formal proposal has been drafted, it should then be submitted to ABAG for formal review and comment to meet the requirements of P.L. 89-754.

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